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General Assembly
Sixty-third session

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Fifth Committee

Summary record of the 16th meeting
Held at Headquarters, New York, on Friday, 7 November 2008, at 10 a.m.

Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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08-59201 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 105: Appointments to fill vacancies in subsidiary organs and other appointments

1. **The Chairman** drew the Committee's attention to rule 92 of the rules of procedure of the General Assembly concerning elections by secret ballot and to paragraph 16 of General Assembly decision 34/401 on the rationalization of the procedures and organization of the General Assembly.

(b) Appointment of members of the Committee on Contributions (A/63/102; A/C.5/63/5)

2. **The Chairman** drew the Committee's attention to document A/63/102, in which the Secretary-General referred to rules 158 and 159 of the rules of procedure of the General Assembly and invited the Assembly to appoint six persons to fill the vacancies that would arise in the membership of the Committee on Contributions on 31 December 2008. In document A/C.5/63/5, the Secretary-General communicated the names of six persons who had been nominated by their respective Governments for appointment or reappointment for a three-year term of office beginning on 1 January 2009. Since the number of candidates from the Group of Asian States, the Group of Eastern European States, the Group of Latin American and Caribbean States and the Group of Western European and Other States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

3. *It was so decided.*

4. *Mr. Park Hae-yun (Republic of Korea) and Mr. Wu Gang (China), in the case of the Group of Asian States, Mr. Logutov (Russian Federation), in the case of the Group of Eastern European States, Mr. Williams (Jamaica), in the case of the Group of Latin American and Caribbean States, and Mr. Moon (United Kingdom) and Mr. Thomma (Germany), in the case of the Group of Western European and Other States, were recommended for appointment or reappointment to the Committee on Contributions for a three-year term beginning on 1 January 2009.*

(c) Confirmation of the appointment of members of the Investments Committee (A/63/103; A/C.5/63/6)

5. **The Chairman** drew the Committee's attention to document A/63/103, in which the Secretary-General referred to article 20 of the Regulations of the United Nations Joint Staff Pension Fund and invited the General Assembly to confirm the reappointment of the three persons whom he had designated to fill vacancies in the Investments Committee for a three-year term of office beginning on 1 January 2009. In document A/C.5/63/6, the Secretary-General submitted the names of three persons for confirmation by the General Assembly. Since the number of candidates corresponded to the number of vacancies, he took it that the Committee wished to recommend by acclamation that the Assembly should confirm the candidates' reappointment.

6. *It was so decided.*

7. *The Committee recommended that the Assembly should confirm the reappointment of Mr. Arikawa (Japan), Mr. Dhar (India) and Mr. Kirdar (Iraq) for a three-year term beginning on 1 January 2009.*

8. **The Chairman** indicated that, in accordance with past practice, the Secretary-General proposed to reappoint Mr. Pictet (Switzerland) as an ad hoc member of the Investments Committee for a one-year term of office beginning on 1 January 2009. He took it that the Committee wished to recommend that the Assembly should confirm his reappointment.

9. *It was so decided.*

10. *The Committee recommended that the Assembly should reappoint Mr. Pictet (Switzerland) as an ad hoc member of the Investments Committee for a one-year term beginning on 1 January 2009.*

11. **The Chairman** said that, also in document A/C.5/63/6, the Secretary-General informed the General Assembly of his decision to appoint Ms. Mohohlo (Botswana) as a regular member of the Investments Committee to replace Mr. Ngqula (South Africa), who had resigned in July 2007, in order to fill the remainder of Mr. Ngqula's term, which was due to expire on 31 December 2009, and to appoint Mr. Jiang (China) as an ad hoc member of the Investments Committee to replace Ms. Beschloss (Islamic Republic of Iran), who had also resigned in July 2007. He took it that the Committee wished to recommend by

acclamation that the Assembly should confirm the appointment of Ms. Mohohlo and Mr. Jiang.

12. *It was so decided.*

13. *The Committee recommended that the Assembly should confirm the appointment to the Investments Committee of Ms. Mohohlo (Botswana), effective 1 January 2009 and expiring on 31 December 2009, and of Mr. Jiang (China) as an ad hoc member, commencing on 1 January 2009.*

(e) Appointment of members of the International Civil Service Commission (A/63/104; A/C.5/63/7)

14. **The Chairman** drew the Committee's attention to document A/63/104, in which the Secretary-General referred to articles 2 to 4 of the statute of the Commission and invited the General Assembly to appoint five persons to fill the vacancies that would arise in the Commission on 31 December 2008. In document A/C.5/63/7, the Secretary-General communicated the names of five persons who had been nominated by their respective Governments for reappointment for a four-year term of office beginning on 1 January 2009. Since the number of candidates from the Group of African States, the Group of Asian States and the Group of Eastern European States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' reappointment by acclamation.

15. *It was so decided.*

16. *Mr. Bouayad-Agha (Algeria) and Mr. Zahid (Morocco), in the case of the Group of African States, Mr. Chowdhury (Bangladesh) and Mr. Wang Xiaochu (China), in the case of the Group of Asian States, and Mr. Morozov (Russian Federation), in the case of the Group of Eastern European States, were recommended for reappointment to the International Civil Service Commission for a four-year term beginning on 1 January 2009.*

(f) Appointment of members and alternate members of the United Nations Staff Pension Committee (A/63/105; A/C.5/63/8)

17. **The Chairman** drew the Committee's attention to document A/63/105, in which the Secretary-General referred to article 6 of the Regulations of the United Nations Joint Staff Pension Fund and invited the General Assembly to appoint four members and four alternate members to fill the vacancies that would arise in the membership of the United Nations Staff Pension Committee on 31 December 2008. In document A/C.5/63/8, the Secretary-General communicated the names of eight persons who had been nominated by their respective Governments for appointment or reappointment for a four-year term of office beginning on 1 January 2009. Since the number of candidates corresponded to the number of vacancies, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

18. *It was so decided.*

19. *Ms. González Posse (Argentina), Mr. Kovalenko (Russian Federation), Mr. Küntzle (Germany), Mr. Mazemo (Zimbabwe), Mr. Muhith (Bangladesh), Mr. Okanda Owade (Kenya), Mr. Repasch (United States of America) and Mr. Yamada (Japan) were recommended for appointment or reappointment to the United Nations Staff Pension Committee for a four-year term beginning on 1 January 2009.*

(a) Appointment of members of the Advisory Committee on Administrative and Budgetary Questions (A/63/101; A/C.5/63/4)

20. **The Chairman** drew the Committee's attention to document A/63/101, in which the Secretary-General referred to rules 155 and 156 of the rules of procedure of the General Assembly and invited the Assembly to appoint five persons to fill the vacancies that would arise in the membership of the Advisory Committee on Administrative and Budgetary Questions on 31 December 2008. In document A/C.5/63/4, the Secretary-General communicated the names of six persons who had been nominated by their respective Governments for appointment or reappointment for a three-year term of office beginning on 1 January 2009. Since the number of candidates from the Group of African States, the Group of Latin American and Caribbean States and the Group of Western European and Other States corresponded to the number of vacancies for those regional groups, he took it that the Committee wished to recommend the candidates' appointment or reappointment by acclamation.

21. *It was so decided.*

22. *Ms. Afifi (Morocco), in the case of the Group of African States, Mr. Torres Lépori (Argentina), in the*

case of the Group of Latin American and Caribbean States, and Ms. Archini (Italy) and Ms. McLurg (United States of America), in the case of the Group of Western European and Other States, were recommended for appointment or reappointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning on 1 January 2009.

23. **The Chairman** drew the Committee's attention to rule 93 of the rules of procedure of the General Assembly and invited members to elect by secret ballot one candidate from the Group of Eastern European States.

24. *At the invitation of the Chairman, Mr. Schuldt (Ecuador), Mr. Mukai (Japan) and Mr. Dodo (Nigeria) acted as tellers.*

25. *A vote was taken by secret ballot.*

Number of ballot papers:	173
Number of valid ballots:	173
Number of members voting:	173
Required majority:	87
Number of votes obtained:	
Mr. Iosifov (Russian Federation):	116
Mr. Petriashvili (Georgia):	57

26. *Having obtained the required majority, Mr. Iosifov (Russian Federation) was recommended for appointment to the Advisory Committee on Administrative and Budgetary Questions for a three-year term beginning on 1 January 2009.*

The meeting rose at 11.15 a.m.

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Summary record of the 17th meeting
Held at Headquarters, New York, on Thursday, 13 November 2008, at 10 a.m.

Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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Agenda item 123: Human resources management

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08-60041 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 123: Human resources management
(A/61/206, A/61/694 and Add.1, A/61/806 and Add.1, A/61/822, A/61/823, A/61/957 and A/61/1029; A/62/7/Add.14, A/62/185, A/62/186, A/62/215, A/62/285, A/62/315, A/62/628 and Add.1, A/62/707 and Add.1, A/62/845 and Add.1 and A/62/890; A/C.5/62/L.9; A/63/132, A/63/189, A/63/202, A/63/204, A/63/208, A/63/221, A/63/282, A/63/285, A/63/290, A/63/298, A/63/301, A/63/310 and Add.1-3 and A/63/526; A/C.5/63/3 and Add.1 and 2)

1. **Ms. Kane** (Under-Secretary-General for Management), delivering a statement on behalf of the Deputy Secretary-General, said that management reform was at the top of the Secretary-General's agenda. One of the cornerstones of that reform was the manner in which staff were employed, nurtured, managed and utilized. Only with a new and more modern human resources framework could the United Nations become more effective, flexible and accountable.

2. As the Secretary-General had stated at the opening of the current session, the time had come to invest more in the staff. Nearly 60 per cent of Secretariat staff worked in the field, yet current frameworks for human resources management had been designed for a largely stable, Headquarters-based environment. They needed to be adapted to accommodate dynamic field-based operations.

3. The proposals before the Committee related to the streamlining of United Nations contracts, the introduction of a roster-based approach to recruitment and the harmonization of conditions of service for Secretariat staff with those of the United Nations agencies, funds and programmes. The reforms were interrelated and aimed at enabling the Organization to respond better to increasingly complex mandates, including in peacekeeping and other field-based operations. They would lead to simpler processes and greater transparency, facilitate mobility and bring about more equitable treatment of staff. They would also help to build a truly global and integrated Secretariat that was responsive to the needs of the Organization and more able to fulfil the mandates given by Member States.

4. The streamlining of contractual arrangements, which had been under discussion for several years, was a critical reform that would result in a simplified regime under one set of staff rules. There would be three types of appointment: temporary, fixed-term and continuing. As at 30 June 2008, the United Nations Secretariat had had almost 40,000 staff members, nearly 60 per cent of whom worked in peacekeeping operations and special political missions. The current contractual arrangements and inferior or disparate conditions of service did not serve staff well and hampered the Organization's ability to attract, recruit, manage and retain staff, particularly in the field. The introduction of one staff contract, under one series of staff rules, would offer career prospects for staff in all locations without restricting them to specific offices or projects, and was essential for building a mobile and versatile workforce.

5. However, the streamlining of contractual arrangements was not enough in and of itself. It was also necessary to harmonize conditions of service. A consistent, common system of salaries, allowances and benefits was critical for enabling staff to move between duty stations in the field, between Headquarters and the field, and between United Nations organizations. The harmonization of conditions of service would also facilitate a more integrated approach to managing staff and would make it easier to match their talents with the corresponding tasks while developing effective, experienced, multi-skilled individuals who felt that their contributions were rewarded.

6. It was also necessary to reduce the amount of time taken to recruit staff. The General Assembly was being asked to approve a roster-based approach that would allow a slate of qualified candidates in a specific occupational group to be pre-approved, so that it would not be necessary to advertise every post individually. Greater reliance on rosters, where possible, would speed up the recruitment process and make it more efficient. Approval was also sought for a reduction in the period of circulation of specific vacancy announcements from 60 days to 30 days.

7. She hoped that the adoption of General Assembly resolution 62/248 on human resources management and the willingness of Member States to consider the proposals as a matter of urgency would lead to favourable outcomes at the current session. The Secretariat hoped to implement the revised arrangements on 1 July 2009.

8. The Secretary-General shared Member States' desire to build a modern, transparent and results-driven Organization with a highly professional and multi-tasking workforce. In order to achieve that aim, a new human resources framework was essential.

9. Speaking on her own behalf and introducing the various reports of the Secretary-General on human resources management, she said that the Office of Human Resources Management was the epicentre of reform in that area. Given the Organization's evolving operational requirements, the Office was becoming more strategic and proactive, as noted in the Secretary-General's reports on human resources management reform (A/63/282) and on measures taken to address seven systemic human resources issues raised in the context of the reform of the internal system of administration of justice (A/63/132).

10. The Office continued to help the Organization to align its human resources capacity with emerging challenges and to support the establishment of new entities; to develop and maintain the human resources management infrastructure through policy development and information technology; to build capacity to help managers to manage and staff to function to the best of their ability, and to monitor performance; to introduce and share new ideas and good practices in human resources management; to advocate in matters relating to conditions of service and security, including in such areas as work-life issues, staff development and career opportunities; and to provide advice and administrative services to departments and offices, managers and the staff at large.

11. The report on human resources management reform (A/63/282) outlined the significant progress that had been made in adapting the human resources framework to meet the increasingly operational needs of the Organization. Nonetheless, some critical aspects of the reform needed to be addressed at the current session.

12. The key areas of importance with regard to human resources were set out in three reports in particular: the detailed proposals for streamlining United Nations contractual arrangements (A/63/298), the report on amendments to the Staff Regulations (A/63/189) and the report on recruitment and staffing in the United Nations (A/63/285), which focused on the roster-based approach to staffing. The reform initiatives outlined in those reports would provide the Organization with the required agility to build and sustain an increasingly operational and client-oriented United Nations, with streamlined processes that responded to the complex mandates required in the modern world. The reports had been prepared in response to General Assembly resolution 62/248, in which the Assembly had indicated that it would continue consideration of the issue of contractual arrangements and conditions of service at the main part of its sixty-third session. They built on the Secretary-General's previous proposals and included detailed information on the proposed establishment of one series of staff rules based on the existing 100 series, one contract encompassing three types of appointment, and measures to harmonize conditions of service, including for staff in the field.

13. The report on recruitment and staffing (A/63/285) had been submitted pursuant to the General Assembly's request, in its resolution 61/244, that the Secretary-General should further elaborate the use of pre-screened rosters. The report provided information on progress made in advancing the reform proposals presented in the Secretary-General's reports on investing in people (A/61/255) and on recruitment and staffing (A/61/822). The concept of pre-screened rosters was based on strategic workforce planning, the use of generic vacancy announcements, the creation of expert groups in the various occupational groups, the use of central review bodies throughout the Secretariat and an upstreamed clearance process.

14. She welcomed the report of the Joint Inspection Unit on the review of the national competitive recruitment examination as a recruitment tool (A/62/707/Add.1). The Organization had already implemented some recommendations that did not require the General Assembly's approval. For instance, a new administrative instruction regulating the national competitive examination process had been drafted. The Office of Human Resources Management had already identified the occupational groups and Member States for the 2009 national competitive examinations through the process of strategic workforce planning. Other recommendations were dependent on external factors. For example, the shortening of the examination cycle would require financial resources in order to speed up marking, and national competitive examinations roster management would be addressed in the new talent management system. The possibility of sharing the

roster with other United Nations organizations was also being explored.

15. Another key area of focus was the mobility policy. As requested by the General Assembly in resolution 61/244, the report on that topic (A/63/208) described the continued progress in the area of mobility, along with projections for the envisaged remaining phases and an assessment of the relevant administrative and management issues, together with observations and recommendations on the way forward. Operating under one series of staff rules would strengthen mobility by increasing the Organization's flexibility and responsiveness and improving its programme delivery capacity and ability to address the many facets of its work through greater integration.

16. The report of the Joint Inspection Unit on staff mobility in the United Nations (A/61/806) and the note by the Secretary-General thereon (A/61/806/Add.1) also recognized the importance of mobility. The aim was to facilitate mobility of staff within the United Nations common system, which current policies did not permit. Inter-agency mobility was further impacted by unequal conditions of service: the funds and programmes offered better compensation packages that also improved work-life balance at non-family duty stations.

17. Turning to the human resources management reports that were submitted to the Assembly on a regular basis, she said that the reports of the Secretary-General on the composition of the Secretariat (A/63/310), on gratis personnel provided by Governments and other entities (A/63/310/Add.1), on employment of retirees (A/63/310/Add.2) and on consultants and individual contractors (A/63/310/Add.3) provided an analysis of the workforce of the global Secretariat that reflected trends over the period from 1 July 2007 to 30 June 2008.

18. The report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour, 1 July 2007 to 30 June 2008 (A/63/202), contained information on all actions taken in cases of established misconduct and/or criminal behaviour and the disciplinary action and, where appropriate, legal action taken in accordance with the established procedures and regulations. It also provided a broad overview of the administrative machinery for disciplinary matters, a summary of the cases in which a disciplinary measure had been imposed by the Secretary-General and statistics on the disposition of all cases that had been closed during the reporting period.

19. The report on special measures for protection from sexual exploitation and sexual abuse (A/62/890) set out data on allegations of sexual exploitation and sexual abuse within the United Nations system during the period from January to December 2007 and the status of investigations into those allegations.

20. The Committee also had before it five reports relating to the staffing of the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the measures that had been taken in cooperation with the Office of Human Resources Management to address the perceived geographical imbalance at OHCHR (A/61/823, A/62/845 and Add.1, A/63/204 and A/63/290). The Joint Inspection Unit report on the subject (A/62/845) took note of the recent improvements in the composition of OHCHR but maintained that there was still a serious, albeit not quantified, geographical imbalance. The Secretary-General's note on the Unit's report (A/62/845/Add.1) pointed out the inconsistencies in terminology and methodology that had contributed to the misperceptions surrounding the issue. The Department of Management remained committed to further improving geographical diversity among OHCHR staff, in accordance with the desirable ranges mandated by the General Assembly.

21. Member States' approval of key initiatives at the current session would greatly enhance the work of the Office of Human Resources Management. A number of successes had already been achieved in recent months. A revised Secretary-General's bulletin promulgated in August 2008 strengthened the role of the departmental focal points for women. New outreach capacity had been established in the Office of Human Resources Management in order to attract the highest-calibre staff and to address upcoming retirements. With regard to performance management, the Secretary-General had entered into compacts with his senior managers providing for specific and measurable results to be delivered within a year.

22. The time taken to fill vacancies had been reduced to 162 days; the aim was to reduce it further to 100 calendar days. On strategic workforce planning, a pilot programme was under way with regard to staffing

and career development plans. With regard to the talent management system, a new information technology tool was being implemented in support of the reform initiatives, in collaboration with the main stakeholders in the field and within the Office of Human Resources Management, in order to link workforce planning with performance management and to streamline business processes.

23. With regard to learning and career development, requirements for an information technology tool to support learning management had been formulated, and a learning advisory board would be established at a senior level to ensure that learning was aligned with the Organization's goals and priorities. Lastly, consultations on several recommendations had been held with staff at the June 2008 session of the Staff-Management Coordination Committee, which had reaffirmed its support for the Secretary-General's proposals on streamlining contracts and harmonizing conditions of service and had noted the various recommendations on improving the staff selection system, performance management and mobility.

24. **Ms. Malcorra** (Under-Secretary-General for Field Support) said that the Organization did not focus enough on the 60 per cent of its staff who worked in the field and the conditions in which they worked. The three main human resources reform proposals, namely the streamlining of contracts, the harmonization of conditions of service and roster-based recruitment, would have a huge impact on those staff. There were currently 11 different types of contract with 15 different sets of conditions of service, which led to unequal treatment, high turnover rates, excessive cost and complexity in administration and built-in obstacles to mobility, reflected in high vacancy rates in field missions. In addition, field staff had few opportunities for career development.

25. Some 88 per cent of international peacekeeping staff had contracts of one year or less, although the average duration of service for civilian staff in peacekeeping missions was nearly five years. The turnover rate among Professional staff ranged from 22 to 30 per cent per year and more than half of Professionals had less than two years' experience in the field. Many peacekeepers had more than a decade of field experience acquired under a series of short-term contracts.

26. In March 2008, her predecessor had addressed the Committee on the changing nature of peacekeeping missions, which were increasingly complex and diverse. In addition, the number of start-up and hybrid operations was increasing and new integrated missions were being established with new sets of requirements. It was therefore becoming more and more difficult to find and retain the right staff. There was a critical need for reform, and she appealed to the Committee for advice and support.

27. The situation on the ground was deteriorating and the number of missions, mandates and personnel demands continued to grow. With the addition of the United Nations Mission in the Central African Republic and Chad (MINURCAT) and the African Union-United Nations Hybrid Operation in Darfur (UNAMID), field staff requirements had increased by nearly 20 per cent in 2008. The Professional staff vacancy rate had increased to 38 per cent, although the overall vacancy rate had fallen to 27 per cent.

28. Selection processes were cumbersome and inefficient. Many job offers were rejected by the selected candidates and the number of new recruits had fallen. One quarter of selections actually related to lateral movements of staff, as a direct consequence of the "mission-specific" contracts currently used. Moreover, a recent Office of Human Resources Management survey had indicated that alternative job opportunities and family concerns were factors behind nearly half of all separations. At the same time, nearly 70 per cent of those who left their jobs remained within the United Nations common system. It seemed that people were using peacekeeping as a means of entry before moving on to better opportunities. The reforms proposed by the Secretary-General would help to address those problems. In particular, as part of the harmonization of conditions of service, there would be an effort to achieve consistency in the designation of missions, a special operations approach would be introduced for non-family duty stations and the occasional recuperation break would be replaced with paid rest and recuperation travel. Roster-based recruitment would include the use of pre-cleared candidates and strategic workforce planning.

29. Behind all the facts and figures lay real human stories. For example, dedicated staff members who had given long years of service at difficult duty stations, sacrificing family life and personal security, had few career prospects, no commitment from the

Organization beyond the end of the current contract, and a compensation package significantly inferior to that of colleagues in the United Nations agencies, funds and programmes. Highly qualified individuals recruited for specific mission vacancies who performed well over several years were required to go through protracted recruitment processes for equivalent vacancies in different missions, even if they had already proved their ability in the relevant areas. Conversely, an administrator might spend a great deal of time on recruitment and selection processes at the end of which the selected candidates either refused the offers made or left after a limited period with the Organization. In the meantime, the number of unprocessed applications would continue to grow.

30. It was difficult to require field staff to perform at the necessary level of excellence when they were given no long-term opportunities, no sense of belonging and no career prospects within the Organization. They deserved better, and action must be taken on their behalf.

31. **Mr. Benson** (Director, Ethics Office), introducing the reports of the Secretary-General on the activities of the Ethics Office (A/62/285 and A/63/301), said that they had been submitted pursuant to General Assembly resolution 60/254; the first covered the period 1 August 2006 to 31 July 2007 and the second covered the period 1 August 2007 to 31 July 2008. The reports set out the results achieved in each reporting cycle in relation to the Office's mandated responsibilities, which included the development of ethics-related standards; training, education and outreach; provision of confidential advice and guidance to staff on ethics-related issues; administration of the financial disclosure programme; and administration of the policy on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits.

32. The Ethics Office had undertaken significant work on developing and clarifying ethics policies and standards. As indicated in the 2007 report, it had worked on the Secretary-General's bulletin on post-employment restrictions (ST/SGB/2006/15), which applied to staff members participating in the procurement process, and, in conjunction with the Office of Human Resources Management and the Office of Legal Affairs, it had produced the booklet entitled "Working together: putting ethics to work". It had also started work on a system-wide code of ethics, pursuant to the General Assembly's request in the 2005 World Summit Outcome.

33. As indicated in the 2008 report, the newly established United Nations Ethics Committee had finalized the draft code of ethics and had also provided substantive support for the development of the Secretary-General's bulletin on the system-wide application of ethics in the separately administered organs and programmes (ST/SGB/2007/11). Following the Secretary-General's approval of the voluntary public disclosure policy in December 2007, the Ethics Office had implemented the policy in respect of senior managers at the Under-Secretary-General and Assistant Secretary-General levels.

34. With regard to training, education and outreach, some 5,000 staff members had attended a half-day workshop entitled "Working together: professional ethics and integrity in our daily work" during the two reporting cycles. The workshop had been offered not only at Headquarters but also in Geneva, Vienna and Nairobi and at the Economic Commission for Africa (ECA), the Economic and Social Commission for Asia and the Pacific (ESCAP) and the Economic and Social Commission for Western Asia (ESCWA). In addition, the mandatory online learning programme on integrity awareness had been completed since its inception in 2005 by approximately 12,000 staff members, including more than 2,000 in the period covered by the 2008 report.

35. A customized workshop entitled "Ethics and integrity in procurement" had been launched in 2007 and almost 400 staff at Headquarters had participated in it. The workshop had also been piloted at the International Tribunal for the Former Yugoslavia and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC).

36. During the period covered by the 2007 report, the Ethics Office had produced the brochures entitled "Introduction to the Ethics Office", "Financial Disclosure Programme", "Protection against Retaliation" and "Conflicts of Interest". During both reporting periods, it had provided briefings in the context of other training activities such as the orientation programme for new staff members and the senior mission administration and resource training (SMART) programme of the Department of Peacekeeping Operations.

37. The Ethics Office provided confidential advice regarding any potential conflicts of interest in order to ensure that staff members acted in the best interests of the United Nations in the performance of their official duties. The advice provided generally fell within the broad categories of employment-related concerns, gifts and hospitality, personal investments and assets, and outside activities and post-employment restrictions. There had been a 100-per-cent increase in requests for advice between the first and second reporting periods, probably because the training courses provided had increased awareness of ethics issues and because both management and staff recognized the value added by seeking advice.

38. The purpose of the financial disclosure programme was to ensure that any potential conflicts of interest arising from staff members' financial holdings, private affiliations or outside activities could be identified in advance with a view to providing advice as to how to manage the situation in the best interest of the United Nations. The confidential review of staff members' disclosure statements was currently undertaken by PricewaterhouseCoopers. For the last two years, staff had been required to file their statements online. The number of participants had increased steadily since the programme's inception in 2006 to reach more than 3,000 in 2008. The new participants came from a number of United Nations bodies and agencies other than the Secretariat and from peacekeeping operations.

39. Although the number of participants failing to file statements had increased between 2006, when the system had been paper-based, and 2007, when it had become entirely paperless, the number had decreased again in the 2008 filing cycle. PricewaterhouseCoopers had reported an increase in staff acceptance of the programme and a decrease in the number of staff members who had initially filed a blank or incomplete statement.

40. The Secretariat's policy on protection against retaliation had entered into force in January 2006. The Ethics Office had considered 52 complaints of retaliation during the period August 2006 to July 2007 and 45 during the subsequent reporting period. Although the total number of cases had fallen slightly, the percentage of cases found to fall within the ambit of the policy had increased. Lastly, the 2008 report indicated that the Office of Internal Oversight Services (OIOS) had completed its investigation into the two cases referred to it in the previous reporting period and had found that the evidence did not establish that retaliation had occurred.

41. The United Nations Ethics Committee, which had been established on 1 December 2007, comprised eight entities: the United Nations Development Programme, the United Nations Population Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Office for Project Services, the World Food Programme, the Office of the United Nations High Commissioner for Refugees and the Secretariat. The Committee's main responsibilities were to establish a unified set of ethical standards and policies, to consult on important and complex cases and issues with implications for the United Nations system as a whole and to ensure the coherent application of ethical standards in member organizations. The Director of the United Nations Ethics Office chaired the Ethics Committee and, upon request, reviewed requests for protection against retaliation submitted by staff of funds or programmes in cases where the fund's or programme's Ethics Office had made a final determination or where the request had not been formally considered within 45 days of its submission.

42. The Ethics Committee had set priorities and enhanced policy coordination in its four main areas of responsibility: standard-setting, financial disclosure, protection against retaliation and ethics training. The Committee had prepared a draft code of ethics that would be finalized and implemented after completion of a system-wide consultation, which was currently under way. The Committee was also performing a comprehensive review of protection against retaliation policies in the funds and programmes, with a view to harmonizing standards, and was coordinating ethics training those entities to ensure consistency.

43. In response to the request for a comprehensive review of ethics-related activities in the Secretariat made by the Advisory Committee on Administrative and Budgetary Questions in its report on the 2005 World Summit Outcome (A/60/7/Add.13 and Corr.1 and 2), the Ethics Office had conducted a survey of departments and offices regarding rules, guidelines or training that had been developed to inform staff members how to discharge their duties while ensuring that they, their family members and associated third parties did not benefit or appear to benefit from their

decisions, influence or access to information. The survey had revealed that the values set out in the Charter, the Staff Regulations and Rules and the Standards of Conduct of the International Civil Service remained the principal sources of guidance; that some departments had developed specific regulations and training in response to occupational needs; and that publications, training material and focal points did not overlap with or replace the activities of the Ethics Office, but served as supplemental sources of guidance and easy reference. Overall, the Secretary-General was of the view that the supplemental regulations and training enhanced ethics activities within the Secretariat. More time was needed to assess the impact of those activities and to explore the possibility of redeploying resources.

44. Responding to some of the observations contained in the report of the Advisory Committee (A/63/526) regarding the Secretary-General's reports on the activities of the Ethics Office, he pointed out that the Ethics Office had been working proactively — through briefings, regular staff training, ethics training and other channels — to clarify its mandates and functions to staff members. As a result, the number of requests for services that fell outside the Office's mandate had declined. Furthermore, the Ethics Office had worked closely with the Office of Human Resources Management to update the contents of ethics training and to mainstream it into regular staff training, to ensure that ethics training was coordinated and addressed the specific needs of different groups of staff and missions.

45. Lastly, with regard to inter-agency cooperation in matters of ethics, the Secretary-General had undertaken measures to improve coordination and harmonization within the framework of the United Nations System Chief Executives Board for Coordination (CEB). Such measures included the issuance of a bulletin on the system-wide application of ethics in the separately administered organs and programmes (ST/SGB/2007/11) and the draft code of ethics for United Nations personnel. Fostering a culture of ethics and integrity within the Organization served to enhance its credibility and remained a priority of the Secretariat.

46. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services), introducing the OIOS report on the in-depth evaluation of the Office of Human Resources Management (A/63/221), said that the Office of Human Resources Management faced significant challenges as the central authority responsible for three main functions: performing strategic human resources planning and policy development, delegating human resources authority throughout the Secretariat and directly providing many human resources services. As a result, key objectives were not being achieved. The Office had limited resources for policy development and the provision of interpretative guidance. With the current level of resources, the lack of clear prioritization of human resources initiatives and the absence of fully transparent policies for Secretariat management and staff, the Office faced a challenge in meeting its mandate. The resulting workload was affecting its staff and others throughout the Secretariat who performed human resources management functions.

47. OIOS commended the Office of Human Resources Management for its current efforts to lead the Secretariat towards highly effective human resources management in an environment of multifaceted challenges, complex interrelationships and an ambitious reform agenda. It had concluded, nevertheless, that the desired results had not been fully achieved. For example, despite improvements, lengthy staff selection time frames were still perceived to have a negative effect on the ability of programmes to achieve their mandates. The staff selection process also lacked full credibility. Furthermore, the mobility programme initiative had not yielded the desired results and an integrated approach to staff career development was lacking. Improvements were also needed to strengthen human resources planning, policy development and interpretative guidance, and instructions on delegation of authority. More clarity was required regarding the decision-making authority of programmes versus that of the Office of Human Resources Management. Moreover, the very limited monitoring of entities to which authority had been delegated posed significant risks to the Organization.

48. While there were no simple solutions to the human resources management challenges faced by the Office of Human Resources Management and the Organization as a whole, OIOS had made five recommendations: the Office of Human Resources Management should develop an integrated framework to enhance the staff selection process, provide better support for career development and promote staff mobility; strengthen policy development and corresponding interpretative guidance; prioritize the

implementation of human resources reform initiatives; clarify and streamline the delegation of authority; and strengthen monitoring.

49. **Mr. Fontaine Ortiz** (Chairman of the Joint Inspection Unit) introduced the report of the Joint Inspection Unit on the implementation of headquarters agreements concluded by United Nations system organizations (A/61/694), noting that it highlighted the need to foster good relations with host countries and establish proper forums for dialogue. It recommended the establishment of mechanisms to ensure funding for major repairs, reiterated the importance of the timely issuance of visas for staff travelling on United Nations business and reviewed security issues in the context of the headquarters minimum operating security standards.

50. The organizations had welcomed the report's findings and recommendations and recognized the need for periodic reviews of host country agreements. In particular, they agreed with the recommendation that the legislative bodies of United Nations system organizations that bore all or part of the cost of major repairs and refurbishments of their premises should establish a special fund to ensure adequate financial resources for such expenditures in their regular budgets.

51. Introducing the Unit's report on staff mobility in the United Nations (A/61/806), he emphasized that a mobility policy was an essential management tool for an organization such as the United Nations. The Secretariat had not, however, properly addressed the major challenges to the implementation of that policy. Shortcomings included the lack of an Organization-wide culture of mobility; the lack of a comprehensive strategic mobility plan with quantified objectives identifying, inter alia, the locations targeted, the type and volume of staff movement and associated indicators to measure progress; the lack of mechanisms for knowledge management and knowledge sharing to prevent the potential loss of institutional memory due to increased mobility; the lack of a clear analysis of the Organization's needs and an inventory of staff skills and competencies at each location; and the lack of effective measures to improve work-life conditions at some duty stations, which hindered implementation of the mobility policy. In addition, further consultations between management and staff were required.

52. The Unit had therefore recommended that the General Assembly should request the Secretary-General to resolve the challenges identified in its report before further implementing the fourth phase of the mobility policy so as to better equip the Organization for full implementation of mobility in the near future, and to report to the General Assembly on the progress made in that regard.

53. While the Unit welcomed the Secretary-General's decision to suspend the current mobility format and to undertake a comprehensive review of the policy with all stakeholders, it noted that, had its recommendation been accepted in due time, two years of a futile exercise could have been saved. It regretted that the review would be done only after the final exercise had been completed for staff at the D-1 and D-2 levels. As the previous exercise had not worked, there was no justification for continuing. Moreover, he understood that the Secretary-General was introducing new modalities of mandatory mobility between duty stations.

54. A clear understanding of the main purpose of the mobility policy was still lacking. The Secretary-General had not sufficiently highlighted that mobility should be a management tool to meet the short-, medium- and long-term needs of the Organization. A succession plan, based on an inventory of needs and skills, was a prerequisite for launching a new mobility exercise.

55. There were three types of mobility: mandatory, voluntary and managed. Managed mobility was the best option for the United Nations because it protected the interests of both the Organization and its staff members. In his most recent report on mobility (A/63/208), the Secretary-General described the current mobility policy as managed. That term was misleading because the introduction of time limits for post occupancy had made the current policy mandatory.

56. Managed mobility implied the existence of a clear, concrete strategy to meet the needs and skill requirements of the Organization using mobility as a fundamental management tool and as part of a staff career development plan. Each movement of staff should be accompanied by a clear statement of its purpose (i.e., the benefits for the Organization and the staff concerned) and the implications for the staff member's career development.

57. The Secretary-General's report was silent on the financial implications of a sound mobility policy; that was indicative of a regrettable lack of connection between human resources policies and budget policies.

58. The Unit's report on the age structure of human resources in the organizations of the United Nations system (A/62/628) assessed the age structure of staff in that system, the overall implications of staff ageing in general and its impact on human resources management policies. Although there were significant differences between the demographic profiles of different United Nations organizations, in general the average age of staff was high compared to that found in national governmental institutions, international organizations or multinational private companies. The age of entry on duty was also relatively high: the grade structure and the related regulations and recruitment practices hindered the entry of young people into United Nations organizations. At the same time, the retirement age was comparatively low, and the rules and regulations on mandatory separation — which was strongly linked to the normal retirement age — were insufficiently flexible. The United Nations organizations would soon face a wave of retirements among senior managers, and the low retirement age and associated rules and regulations might unnecessarily prevent organizations from making the maximum use of experienced human resources.

59. The report also highlighted the need to recruit and retain young professionals through an improved grade structure, proposed proactive succession planning that went beyond merely filling vacancies and called for the CEB Human Resources Network to be more actively involved in the matter.

60. He drew the Committee's attention to one recommendation in particular: that regulations on the mandatory age of separation and the normal retirement age in United Nations organizations should be reviewed. Changes in national and international labour markets and national pension systems, the increase in life expectancy and the more efficient use of human resources in the United Nations system justified such a review. Because of the complexity and long-term impact of pension regulations, elaborating and examining proposed changes would take time. The General Assembly might therefore wish to initiate the recommended work on succession planning.

61. The objective of the Unit's report on the funding and staffing of OHCHR (A/62/845) was to help improve the efficiency and effectiveness of OHCHR by recommending adequate mechanisms for involving Member States in the review of the draft programme of work and of associated financial requirements, in light of the priorities established by the Human Rights Council, and for monitoring the use of funds and the implementation of the programme of work, and by recommending measures to redress the imbalance in the geographic distribution of OHCHR staff at the Professional level and above.

62. The report contained eight recommendations requesting OHCHR to adopt a results-based management approach to the budget and planning process; to seek the views of the Human Rights Council in preparing the proposed strategic framework and associated financial requirements for human rights activities; to establish a reasonable balance between the regular budget of OHCHR and voluntary contributions; to set up a board of trustees for the Trust Fund for Support of the Activities of the Centre for Human Rights (which had accounted for 80 per cent of the Office's extrabudgetary resources in 2006); and to increase efforts to broaden the donor base and reduce earmarked funds. To address the persistent imbalance in the geographic distribution of Professional staff, the General Assembly was urged to introduce a temporary maximum level for the recruitment of new Professional staff from overrepresented regions.

63. Although it was a matter of concern that human rights activities, one of the core mandates of the United Nations, were increasingly dependent on voluntary contributions and that there had been no significant improvement in geographic distribution, some progress had nevertheless been made through the partial implementation by OHCHR of the recommendations mentioned. The Joint Inspection Unit encouraged follow-up and further implementation.

64. The Unit's report on its review of the national competitive recruitment examination as a recruitment tool (A/62/707) assessed the system at the examination and recruitment stages, including its rules and regulations, operation, effectiveness and cost efficiency, and its impact on the Organization's recruitment results. The report acknowledged the positive role of the examinations in providing the United Nations Secretariat with highly qualified Professional staff and improving the gender and

geographical balance. Although the examinations' administration had been free of fraud and mismanagement over the previous decades, the report had identified certain weaknesses and formulated recommendations to address them.

65. The Secretary-General, in his note A/62/707/Add.1, had concurred with the recommendations made and had expressed an explicit intention to implement them. He had also stated that additional resources would be needed to implement the recommendation on shortening the examination process. The Unit felt that such resources should be requested, planned and budgeted for within the framework of the programme budget. The General Assembly might wish to consider such a proposal favourably.

66. The Unit had also recommended closer cooperation on examination and roster management among the United Nations funds and programmes and the specialized agencies. More active cooperation within the framework of CEB and its Human Resources Network might result in better utilization of successful candidates for the benefit of the United Nations system and would yield savings in human and financial resources.

67. In conclusion, he said that the Unit took pains to prepare its reports on time, and emphasized that delays in the introduction of those reports and in the subsequent implementation of the recommendations they contained could render them a mere academic exercise due to changes in conditions, procedures, technologies and the requirements of the target audience.

68. **Mr. Herman** (Senior Adviser on Information Management Policy Coordination, United Nations System Chief Executives Board for Coordination), introducing the note by the Secretary-General conveying his comments and those of CEB members on the Joint Inspection Unit's report on the implementation of headquarters agreements (A/61/694/Add.1), said that headquarters agreements formed the cornerstone of an agency's relationship with the Government that hosted it. As noted in the Unit's report (A/61/694), such agreements did not vary greatly across the system and agencies were generally content with the agreements currently in place. Agencies had indicated that they maintained a straightforward dialogue with their host countries on issues that arose and in many cases received excellent, and sometimes generous, services.

69. The organizations of the system had accepted most of the Unit's recommendations, many of which were already being implemented. Even so, some recommendations had elicited a range of opinions. For example, some duty stations with multiple organizations had found that the joint forums recommended for interacting with host countries were useful, while others, after studying that approach, had determined that such bodies would add little value.

70. The recommendations directed at enhancing staff safety and security had been of particular interest. Organizations had noted, in particular, the need for the Department of Safety and Security to develop a comprehensive minimum operating security standards framework for category H duty stations.

71. Introducing the note by the Secretary-General conveying his comments and those of CEB members on the Joint Inspection Unit's report on the age structure of human resources (A/62/628/Add.1), he said that organizations had appreciated the comprehensive nature of the Unit's report (A/62/628), which focused on an issue of increasing importance across the system, and had generally agreed with its recommendations.

72. Many organizations had indicated that the measures proposed in the recommendations had already been implemented or were currently under consideration. For example, many of them already collected detailed demographic data on staffing and had policies in place that emphasized competency, proficiency and other qualifications (such as education) over years of experience in the consideration of candidates for all posts. However, agencies had noted that the recommendation calling for a review of the mandatory retirement age could have funding implications and would adversely affect the age distribution proposed in other recommendations of the report. Overall, organizations had welcomed the two reports as valuable contributions to the discussion of human resources issues throughout the system.

73. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee (A/63/526) on 13 human resources management reports submitted by the Secretary-General, said that the comments and recommendations

contained therein should be read together with those made by the Advisory Committee at the sixty-second session of the General Assembly, as set out in its report on human resources management (A/62/7/Add.14).

74. With regard to the Secretary-General's overview report on human resources management reform (A/63/282), the Advisory Committee's comments and recommendations focused on the areas of human resources planning and monitoring; career development and support; strengthening of leadership and management capacity; performance management; human resources information technology; health-care services; and staff-management relations.

75. In general terms, the Advisory Committee wished to emphasize the fundamental importance of human resources management reform in the context of efforts to strengthen the international civil service. Noting in particular the work done by the Task Force on Human Resources Management and the Task Force to Simplify and Streamline the Rules of Work Processes, it encouraged the Secretary-General to update the General Assembly on that work in his next report on human resources management.

76. In its report (A/63/526), the Advisory Committee emphasized the importance of a phased and prioritized approach to the implementation of reform measures and expressed its concern about the tendency of the Office of Human Resources Management to embark upon new reform initiatives without first having evaluated the effects of those previously implemented. It appreciated the Office's efforts to respond to the evolving human resources needs of the United Nations; however, the Office should consider whether it had sufficient capacity to implement so many measures simultaneously and the Secretary-General should ensure that future reform proposals were accompanied by a comprehensive results and impact assessment of earlier reforms and existing arrangements.

77. The Secretary-General's report on human resources management reform (A/63/282) did not set out the financial implications of the measures envisaged, without which it would be difficult for the Assembly to form its views on the new measures proposed. The Secretary-General should therefore provide the Assembly with an indication of the financial and other administrative implications of his proposals.

78. On the Secretary-General's proposals for the streamlining of contractual arrangements (A/63/298), the Advisory Committee had confined its comments and recommendations to those issues that it regarded as outstanding, i.e. procedures for granting and terminating continuing appointments; the eligibility of staff recruited through the national competitive examination for consideration for continuing appointments; the establishment of a ceiling on the number of conversions to continuing appointments; and termination payments. While the Advisory Committee noted the Secretary-General's efforts to respond to its requests for additional information on internal procedures for granting and terminating continuing appointments, it considered that further clarification of both procedures was required. On the proposal that staff members recruited through the national competitive examination should be considered for continuing appointments after two rather than five years' service, the Advisory Committee concurred with the Secretary-General that it was important to avoid creating different categories of staff with different thresholds for consideration for a continuing appointment and therefore recommended that all staff, regardless of the mode of recruitment, should be eligible for such consideration after five years' continuous service. It also recommended against the establishment of a ceiling on the number of annual conversions to continuing appointments. However, it reiterated the need for a prudent approach to conversions and highlighted the importance of protecting the acquired rights of staff who would be eligible for consideration for a permanent appointment by the time the new arrangements came into effect. The Advisory Committee had sought clarification regarding the number of such staff and called for that information to be provided to the General Assembly, bearing in mind that many staff members other than those appointed under the 100 series of the Staff Regulations and Rules might have accrued five years' continuous service by 1 July 2009. On the issue of an end-of-service grant for staff holding fixed-term appointments, the Advisory Committee recommended deferring a decision until the International Civil Service Commission had concluded its deliberations on the matter.

79. With regard to the mobility policy, the Advisory Committee, in view of the difficulties seen in the initial implementation of the managed reassignment programmes, supported the Secretary-General's

intention to suspend the programmes in their current format after the final exercise was concluded and to undertake a comprehensive review of the mobility policy, in consultation with Member States and other stakeholders. In its report, it had suggested a number of elements that should be taken into account during that review.

80. The Advisory Committee's report contained a number of comments and recommendations on recruitment and staffing. While the Advisory Committee welcomed the reduction in the average time taken to fill vacancies from 174 to 162 days, it recommended against approval of the Secretary-General's proposal to reduce the period for advertising individual vacancies from 60 to 30 days, since other significant bottlenecks in the recruitment and staffing system should be addressed first and further consideration should be given to enhancing the transparency of the recruitment process. It therefore recommended, inter alia, that the Secretary-General should further clarify the envisaged role of the central review bodies in the proposed roster-based staffing approach and, before embarking on such an approach, should provide clearer and more detailed information on its proposed modalities, drawing on the lessons learned from the use of rosters within the Secretariat to date.

81. With reference to paragraph 57 of its report, the Advisory Committee wished to clarify that the Office of Human Resources Management had provided additional information in response to its request for an indication of the number of consultants and individuals initially hired under general temporary assistance who were subsequently recruited as United Nations staff. Since it had not had time to incorporate that information into its report, it requested that the relevant statistics should be provided to the General Assembly for its consideration of recruitment and staffing issues.

82. In considering the value of the national competitive examination as a recruitment tool, the Advisory Committee recommended that the shortcomings identified by the Board of Auditors, the Joint Inspection Unit and the Ombudsman in their respective reports should be addressed and that the Secretary-General should take measures to accelerate the recruitment of candidates who had passed the examination. Consideration should be given to broadening the scope of the national competitive examination to cover more posts than just those subject to geographical distribution; in that connection, the Assembly should consider requesting, for consideration at its sixty-fifth session, a feasibility study to determine whether such action would further strengthen the Organization's capacity for programme delivery.

83. The General Assembly should take note of the Secretary-General's report on special measures for protection from sexual exploitation and sexual abuse (A/62/890), in relation to which the Advisory Committee's report contained various comments and observations. The Advisory Committee's report also contained comments regarding the Secretary-General's report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour (A/63/202). The Advisory Committee had commented in more detail on disciplinary issues in its report on investigations pursuant to General Assembly resolution 62/247 (A/63/492) and would address the issue of delegation of authority for disciplinary matters in the field in its forthcoming report on the administration of justice.

84. With regard to the three addenda to the Secretary-General's report on the composition of the Secretariat (A/63/310), concerning gratis personnel (A/63/310/Add.1), the employment of retirees (A/63/310/Add.2) and consultants and individual contractors (A/63/310/Add.3), the format of all three reports should be improved to focus on the analysis of trends rather than the presentation of raw data.

85. The Advisory Committee was concerned that the employment of retirees was becoming more widespread in the United Nations. The extension of staff members beyond the mandatory age of separation, pending recruitment of a replacement, could and should be avoided through rigorous succession planning and the issuance of vacancy announcements six months before the anticipated retirement. The employment of retirees in decision-making positions had, furthermore, been strongly discouraged by the General Assembly and should therefore be contemplated only in exceptional circumstances.

86. As for consultants and individual contractors, although in some instances it was impossible to find the necessary skills and expertise for a particular project within the Secretariat, greater use should be made of in-house capacity in a number of areas in which consultants were routinely hired. Since the

General Assembly had repeatedly expressed concern about the management of the recruitment process for consultants and individual contractors, the Secretary-General should be requested to adhere to existing guidelines on the selection and recruitment of consultants and individual contractors Secretariat-wide, and should make every effort to select consultants from the widest possible geographical base.

87. With regard to measures to improve the balance in the geographical distribution of staff in OHCHR (A/63/204), the Advisory Committee, while noting the steps taken by that Office to respond to the request contained in General Assembly resolution 62/236, believed that further progress was required.

88. Concerning the activities of the Ethics Office, the Advisory Committee noted the Secretary-General's efforts to consolidate a culture of ethics and integrity in the Secretariat; however, given the perceived confusion among staff about the work of the Ethics Office and its relationship to other entities providing advice and guidance, such as the Office of the Ombudsman, the Secretary-General should, in his next report on the topic, further clarify the roles and responsibilities of the Ethics Office. With regard to the suggestion in the Secretary-General's report (A/63/301) that the General Assembly might wish to encourage United Nations specialized agencies and other entities to participate actively in the Ethics Committee on a broad basis and through an open mechanism, the Advisory Committee believed that it was within the purview of the Secretary-General, as Chairman of CEB, to bring issues relating to system-wide coordination to the attention of its members. The General Assembly should therefore request the Secretary-General to discuss with the executive heads of the specialized agencies, funds and programmes, within the framework of CEB, areas of possible cooperation on ethics-related matters.

89. **Mr. Kisambira** (President of the United Nations Staff Union) said that he welcomed the opportunity to present the views of the United Nations Staff Union on human resources management, as set out in the report on views expressed by the staff representatives of the United Nations Secretariat (A/C.5/63/3/Add.2). Those views, which related to matters of crucial importance to the staff and the Organization alike, were also shared by representatives of the Field Staff Union and the Staff Coordinating Council of the United Nations Office at Geneva and were presented with their full concurrence.

90. Nothing had changed since the last personnel year, even though different senior officials were at the helm of the Organization. The deficiencies in human resources management had been firmly institutionalized and the Organization apparently lacked the management competence to address the many challenges they presented. Vested interests continued to plague the reform of human resources management. One of the documents currently before the committee (A/C.5/63/3/Add.1) was presented as containing the views of Secretariat staff, but in fact it contained views of both management and staff representatives, some of whom were not even part of the Secretariat, as required by General Assembly resolution 35/213 and regulation 8.2 of the Staff Regulations. It thereby exemplified the chicanery surrounding the issue.

91. The mechanisms for staff-management engagement were either corrupt or nullified by the actions of the Administration. That was one of the main reasons why the United Nations Staff Union and the Staff Coordinating Council of the United Nations Office at Geneva had suspended their participation in the Staff-Management Coordination Committee (SMCC). Staff Union representatives had, in contrast, chosen to be frank and objective in fulfilling their staff representation obligations, even at the risk of their careers, because self-interest and acquiescence were undermining the Organization's future. In that connection, the permanent contract was of fundamental importance, since when staff were insulated from career vulnerabilities, they were empowered to speak up and do what was right for the Organization.

92. In view of those circumstances, the time had perhaps come to establish an independent entity to review the measures needed for human resources management reform and advise the General Assembly accordingly. The Staff Union stood ready to answer any questions that Committee members might have on the report (A/C.5/63/3/Add.2).

93. **Ms. Analena** (Vice-President, Staff-Management Coordination Committee), speaking on behalf of the staff of the Economic Commissions for Africa and for Latin America and the Caribbean; the Economic and Social Commissions for Asia and the Pacific and for Western Asia; the United Nations Offices at Nairobi and Vienna; the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia; the United Nations Children's Fund, the

Office of the United Nations High Commissioner for Refugees and United Nations University, said that those staff, working both at headquarters and in the field, brought aid to people in need, helped those living in conflict zones, supported the less privileged and ensured that the perpetrators of war crimes were brought to justice, often facing hardships and risks to their health and their lives as they served under the United Nations banner. They were the global face of the United Nations and should not be overlooked. The reforms of the United Nations and its human resources management systems should be viewed as a package. Each constituent element must be developed with a view to its effective fit within the whole, and the full and correct implementation of the whole package was vital to the success of the constituent elements. Such reforms would entail additional responsibilities for staff in many areas, which they were ready to assume; however, that readiness should not be met with further erosion of conditions of service.

94. For the reforms to succeed, the staff must be fully committed to them. Thus, the reforms themselves, and all the policies, procedures and practices intended to give effect to them, must be subject to concerted dialogue between representatives of the Secretary-General and staff representatives, working in a spirit of partnership and building trust through information-sharing, consultation and negotiation. The mechanisms for promoting that dialogue must be reviewed, their weaknesses identified, and efforts made to considerably strengthen their structure and operation.

95. With regard to the administration of justice, staff representatives were ready to give their continued support to the work of establishing a new system of justice that faithfully reflected the principles laid down in General Assembly resolution 61/261, including those described in its paragraph 4. In the light of those principles, all outstanding issues should be clarified as soon as possible, given the imminent introduction of the new system. Some issues that were fundamental to the system's functioning had not yet been adequately addressed, increasing the risks to the system and thus the significance of the remaining discussions.

96. Staff representatives acknowledged the complexity of the issues involved in negotiating the draft statutes of the United Nations Dispute Tribunal and the United Nations Appeals Tribunal. For example, since the scope of administrative decisions that could be contested and the implementation of which could be suspended remained unsettled, staff were concerned that the scope of the proposed new system of justice might be more limited than the current one. Concern was particularly acute with regard to appointments, promotions and terminations of staff members and the Committee was therefore urged to support the swift resolution of such issues, many of which had been flagged as outstanding in the draft statute of the United Nations Dispute Tribunal, and to a lesser extent that of the United Nations Appeals Tribunal, though other important issues were also left unsettled by those draft statutes. Further elaboration of the statutes' provisions, together with amendments to the Staff Regulations and Rules and other implementing and guidance documents, might also be required; that further highlighted the need to resolve urgently all remaining ambiguities. Staff representatives were ready to work on that matter, for example in the context of the requested revitalization of the Staff-Management Coordination Committee (SMCC) contact group on administration of justice. In addition, they looked forward to the opportunity to participate, as agreed, in the drafting of amendments to the Staff Rules. The issue of the employees covered by the Tribunal's jurisdiction was also a fundamental component of equality of access to the same standards of justice, and improvements in the area of contractual arrangements would be a step towards a fair and independent justice system for all. The SMCC contact group on administration of justice was still the most effective mechanism available for fulfilling the mandates of the General Assembly and bringing the new internal justice system into effect.

97. The staff were concerned that there were still many obstacles to mobility, including a lack of adequate support to staff with family responsibilities, difficulties with knowledge transfer, an absence of financial incentives and other issues related to work-life balance. They had also expressed concerns about continuity and institutional memory. Adequate incentives were required for the successful implementation of any mobility programme, linking mobility to career development in a meaningful way and offering a robust approach to achieving work-life balance. Suggestions included making improvements to host country agreements so that partners could work, taking steps to ensure that moves to duty stations perceived as less desirable were not a one-way ticket and introducing exchange programmes with other international organizations.

98. The mobility policy must be fair, transparent and consistently applied. All staff should be aware of how the system worked, what was expected of them and what they could expect from the Organization. A simple and dynamic system of appointments that gave priority to the appointment of staff subject to mobility, and the provision of adequate training and induction programmes before staff members moved to a new position, were critical. While such measures were admittedly difficult to implement, staff confidence in the mobility programme relied heavily on the Organization's taking meaningful steps to address the negative aspects of mobility. Recent attempts to implement a standardized approach through the managed reassignment programme had not achieved the intended results, since staff at larger duty stations had had the opportunity to move around within the duty station, while staff at other duty stations had been less able to do so. Since the other impediments to true mobility had not been addressed, the number of staff movements between duty stations had been limited. To date, the implementation of the mobility policy had raised concerns among managers as well as staff; it must therefore be carefully reviewed and discussed in depth by both staff and management in order to find real solutions before any new policy could be successfully launched.

99. If the United Nations was to perform its diverse and challenging global missions successfully, it must be able to recruit, retain and promote the most talented people from the widest possible geographical area. Many staff members, however, were concerned about the integrity of the staff selection system, particularly the role played by the central review bodies and the need for more robust checks and balances. The staff and management had agreed, within SMCC, on measures to ensure consistent and system-wide application of the administrative procedures for staff selection. It was essential to adopt best practices throughout the Organization and to provide relevant training at all duty stations.

100. Since transparency and objectivity were the two central principles that must govern a well-functioning staff selection system, the agreement reached in SMCC to provide staff with more feedback during the application and selection process was welcome. It had also been agreed that a more robust roster system, elimination of complex eligibility rules and the streamlined creation of vacancy announcements could be effective in accelerating the staff placement process. Those reforms must, however, meet the highest standards of transparency and fairness, in keeping with the core principles of the United Nations. In that connection, the staff reiterated their call for the central review bodies to have a more active and meaningful place in the selection system. Emphasizing the importance of reaching geographical and gender targets throughout the Organization at all levels of service, they applauded outreach efforts to identify suitable candidates from underrepresented Member States and the strict enforcement of guidelines to ensure gender balance. However, they remained concerned about the need to hold managers accountable for the proper application of staff selection rules.

101. As the main forum for staff-management relations, SMCC had faced considerable difficulties in recent years. After a general staff boycott between 2002 and 2006, most staff representative bodies had returned to SMCC, in order to ensure that organizational reforms were undertaken with the staff's input, and also because they enjoyed a respectful and professional relationship with their management counterparts. While discussions had not always been easy or consensual, the alternative of non-participation in SMCC did not serve the staff at large. The staff representatives in SMCC were committed to developing and defending their positions on important issues such as mobility, contractual arrangements, performance management and administration of justice. However, they understood the frustrations of those staff representatives who had not returned to SMCC, which, as a mechanism for good-faith consultation between management and staff, had a number of serious shortcomings. The revitalization of structures for staff representation and staff-management relations, including SMCC, was therefore essential. The staff representatives in SMCC were prepared to remain in dialogue with management, but not at any cost, since there would be little reason to do so if progress was not made on important issues, the staff were sidelined in decision-making and promises were not kept. It was time for United Nations reforms to be extended to staff-management relations, given that the current systems were outdated and in need of serious, professional review.

102. **Mr. Sutter** (France), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey;

the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, Georgia, Republic of Moldova and Ukraine, welcomed the statements made by the President of the United Nations Staff Union and the Vice-President of the Staff-Management Coordination Committee and expressed the hope that such input would be a regular feature of the Committee's discussion of the topic.

103. The European Union fully supported the reform of human resources management and development at the United Nations: the staff were the Organization's most valuable asset. The aim of the reforms was to attract and retain high-calibre personnel. As the Secretary-General had said, the current contractual arrangements should be replaced and the conditions of service improved. The European Union would examine all the proposals put forward by the Secretary-General, while taking into account the contractual framework as defined by the International Civil Service Commission, as well as Article 101, paragraph 3, of the Charter of the United Nations. Gender parity was also of crucial importance.

104. Contractual arrangements should be simplified so as to make the system more transparent and easier to administer, thus improving staff morale. In the field, high vacancy and turnover rates were major obstacles to the smooth operation of missions, particularly at difficult duty stations. Priority should be given to tackling the causes of such problems, if peacekeeping operations and special political missions were to address the challenges that they faced.

105. Improved recruitment conditions and proper career development were the key to the retention of good staff. The European Union also strongly supported the principle of mobility and welcomed the increase in the Organization's mobility index from 10.8 per cent in 2002 to 27.6 per cent in 2007, as noted in the Secretary-General's report (A/63/208). He looked forward to the Secretary-General's further proposals on the issue.

106. The European Union was ready to engage in constructive consultations on the Advisory Committee's recommendations and to proceed with the implementation of the new system of contracts and conditions of service from 1 July 2009.

107. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the efficient delivery of United Nations mandates hinged on the quality of the staff and the availability of resources. The Group therefore supported all reform measures aimed at establishing a satisfied and dynamic workforce. Long-standing commitments by the General Assembly to improve human resources management should be honoured. It was therefore regrettable that the General Assembly had been unable to reach a consensus on reform during the sixty-second session. Although the Group had some reservations concerning the details of the Secretary-General's current proposals, it supported the general approach of creating better conditions of work and career prospects.

108. With regard to the streamlining of contractual arrangements, the Group concurred with many of the Advisory Committee's observations, particularly the need to address the issue of the termination of future continuing appointments and the unfeasibility of setting an artificial ceiling on the conversion of appointments. As for the harmonization of conditions of service, it shared the Advisory Committee's view that the impact of the Secretary-General's proposals concerning the Field Service category should have been clarified earlier and that the overall compensation of staff who were already serving should not be reduced. Moreover, Field Service staff should be on an equal footing with the staff of funds and programmes. Every Member State should commit itself to substantial reform of the way in which the United Nations managed its human resources, which were its most important asset. The Group was ready to assume the financial burden entailed, since it was committed to an efficient Organization equipped with well-prepared and skilful staff. It was also committed to the implementation of the new administration of justice system. The proposed enterprise resource planning system should be developed in conjunction with the new human resources policies.

109. It was a matter of concern that 65 per cent of staff were not represented on the Staff-Management Coordination Committee. Both parties should resume a constructive approach to relations between staff and management. Otherwise, no significant reform could take place.

110. The Secretary-General's report showed that current performance appraisal mechanisms were not rigorous or comprehensive enough. Much also remained to be done with regard to ensuring gender balance and equitable geographical distribution in the

recruitment process. Further details should be provided with regard to the proposed rosters of candidates that would help to accelerate the hiring of qualified personnel. There was, as the Advisory Committee had indicated, no need to reduce the period for advertising individual vacancies, although other ways of reducing the number of days needed to fill vacancies might be found. Similarly, the national competitive recruitment examination system, for all its merits, had some flaws, as highlighted in the report of the Joint Inspection Unit (A/62/707). The issue should be further considered during the informal consultations.

111. A good mobility policy should improve the Organization's responsiveness. He endorsed the Secretary-General's proposal that mobility programmes should be suspended in their current format and that there should be a comprehensive review of the policy, in consultation with Member States and other stakeholders. Mobility should offer enough career advancement opportunities to make it worthwhile; it should not be used as a coercive measure. The views of the Joint Inspection Unit should be taken into account.

112. He expressed concern at the Organization's failure to meet equitable geographical and gender distribution goals, particularly in senior management positions. In future, retirements should be used as an opportunity to improve the Organization's international nature. Consultants, too, should be selected from the widest possible geographical base. At the same time, the use of consultants and private contractors should be restricted: greater use should be made of in-house expertise. The extensive employment of retirees suggested a lack of proper succession planning.

113. **Mr. Ramasamy** (Mauritius), speaking on behalf of the Group of African States, expressed concern that the Secretary-General's report had not provided sufficient statistical data to substantiate the progress reported or provide benchmarks against which progress could be measured. The Group fully supported the course of action recommended in paragraph 34 of the Advisory Committee's report. Moreover, a comprehensive approach should have been adopted. As it was, the Secretary-General's report was too fragmented.

114. Mobility was essential to the creation of a more versatile and experienced workforce. The Group therefore took note of the Secretary-General's intentions and welcomed the Advisory Committee's recommendations.

115. The quality of human resources management depended on the system used to select personnel. The current selection system lacked credibility, particularly with regard to gender and geographical balance. The national competitive recruitment examination, which was intended to be a useful tool in that regard, had not been effectively used. The Office of Internal Oversight Services should conduct a survey to determine how far the examination had achieved those aims.

116. Lastly, he expressed concern regarding the continuing stalemate between United Nations staff and management. The staff were the Organization's greatest asset. Reform programmes should therefore be balanced with the needs of the staff.

117. **Mr. Taula** (New Zealand), speaking also on behalf of Australia and Canada, said that, in order to recruit and retain high-quality staff from around the world, the United Nations needed modern human resource systems and practices. The current system was inefficient and administratively burdensome, and failures were often at their most serious where the conditions were the most challenging and the need greatest: in the field. United Nations staff were treated inconsistently and there were disincentives for working in the most difficult locations. As a result, turnover and vacancy rates were high and essential mandates were delivered poorly or not at all.

118. The Committee's negotiations should build on the discussions held in March 2008. The Secretary-General's proposal for a streamlined contractual regime, with three durations and one set of staff rules, would be simpler and fairer. It would also facilitate increased mobility by removing restrictions relating to various types of contract that were inherent in the current system. Mobility should remain an important feature of human resources management. The Organization should, however, avoid complicating the issue of contracts by combining it with other objectives that should be addressed separately.

119. The United Nations was becoming increasingly field-based. Conditions of service in the field should therefore be improved. A coherent framework of terms and conditions should be established, on the basis of the Committee's earlier discussions. Australia, Canada and New Zealand strongly supported efforts to reduce the time taken to recruit staff, with regard to both the

time for advertising specific vacancy announcements and other aspects of the process. It would be useful to have an update on information technology improvements in the area of human resources management.

120. There were a number of difficult issues to work through, including important work on the administration of justice. The three countries considered the reform proposals to be practical and meaningful. The Committee should aim to achieve a substantive outcome during the current session.

121. **Mr. Gürber** (Switzerland), speaking also on behalf of Liechtenstein, said that, although only modest progress had been made at the Committee's meetings in March 2008, the reform of human resources management was crucial, since it would improve the Organization's capacity to carry out its diverse mandates effectively. There should be an objective discussion on the streamlining of contractual arrangements, the harmonization of conditions of service, the proposed cadre of 2,500 civilian peacekeepers and the recruitment and staffing process.

122. The proposed new contractual arrangements offered job security and equal treatment for staff. The proposal to introduce a single set of staff rules was a sensible way of simplifying the contractual framework, reducing the administrative burden and enhancing transparency. Up to a point, Switzerland and Liechtenstein supported the harmonization of conditions of service. They would, however, carefully examine the details of proposals to that end. It might be possible to defer at least some of the more costly entitlements and benefits and allow time for the improvement expected to result from the streamlined contractual arrangements to take effect.

123. With regard to continuing appointments, Switzerland and Liechtenstein considered that conversions should not be automatic. Competition was needed to limit the number of conversions, which would make for greater efficiency. There should be clear and consistent criteria for conversions, objective performance assessments and a fair selection procedure. Simplicity, transparency and legal certainty were also important.

124. The Committee should look favourably on the proposals designed to reduce the time taken to fill vacancies and to ensure that the best candidates were selected. He expressed some doubt, however, about the roster-based approach. Roster management could become considerably more burdensome; moreover, it was doubtful that highly skilled candidates would be willing to wait months or even years before being recruited.

125. **Mr. Ruiz Massieu** (Mexico), speaking on behalf of the Rio Group, said that United Nations human resources management required a systematic and comprehensive approach. Many of the Advisory Committee's comments would enrich the informal consultations in that regard. Although some progress had been made, policies on staff mobility, evaluation, recruitment and training should be improved, with due regard for efficiency, transparency and the international nature of the Organization. The Rio Group regretted that the Staff Union and the Staff Coordinating Council of the United Nations Office at Geneva did not take part in the work of the Staff-Management Coordination Committee. The parties should put their differences aside and work together constructively. Much also remained to be done to improve geographical representation and gender balance, especially in senior posts.

126. A broad consensus had, after many years' consideration, been achieved with regard to the need to address the basic flaws in the Organization's human resources management. It was regrettable that the Committee had not been able to reach a decision on the issue in March 2008. At the current session the Committee should agree on substantial improvements in conditions of service, in the interest of recruiting highly qualified staff and reducing high turnover rates, especially in the field. The outcome of the consultations should reflect the international community's respect and gratitude for the valuable work done by United Nations staff.

The meeting rose at 1 p.m.

United Nations A/C.5/63/SR.18

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Fifth Committee

Summary record of the 18th meeting
Held at Headquarters, New York, on Friday, 14 November 2008, at 10 a.m.

Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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Agenda item 123: Human resources management (*continued*)

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08-60218 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 123: Human resources management (*continued*) (A/61/206, A/61/694 and Add.1, A/61/806 and Add.1, A/61/822, A/61/823, A/61/957 and A/61/1029; A/62/7/Add.14, A/62/185, A/62/186, A/62/215, A/62/285, A/62/315, A/62/628 and Add.1, A/62/707 and Add.1, A/62/845 and Add.1 and A/62/890; A/C.5/62/L.9; A/63/132, A/63/189, A/63/202, A/63/204, A/63/208, A/63/221, A/63/282, A/63/285, A/63/290, A/63/298, A/63/301, A/63/310 and Add.1-3 and A/63/526; A/C.5/63/3 and Add.1 and 2)

1. **Mr. Debabeche** (Algeria), stressing the importance of the symbiosis that should exist between sovereign mandates and their implementation by a corps of highly qualified, motivated staff characterized by integrity, with clearly defined responsibilities and the necessary legal protection to perform their tasks, noted that an organization was only as good as its management, and that any discussion of the introduction of modern management practices would miss the point if it failed to take that into account. The credibility of the United Nations, with an ambitious workload in such areas as peace and security, human rights and development, was damaged each time it failed to act or one of its officials behaved inappropriately. The comments of the Secretary-General on the selection and recruitment of senior management did not address that vital concern. The announcement by the Secretary-General, in the spring of 2008, of an independent selection commission for senior Secretariat staff was an important step forward, though reform should also take into account the principle of equitable geographical rotation of all Secretariat posts. A transparent selection process had as its corollary the recruitment of senior managers characterized by independence, intellectual honesty, an acute sense of ethical behaviour and, above all, accountability.

2. In that connection, the terms of General Assembly resolution 59/272, on the mechanisms for defining responsibilities and strengthening accountability, had not been strictly adhered to. His delegation also regretted the failure to take account of General Assembly resolutions 60/260 and 61/245 and the Secretary-General's lack of consultation with other organizations and oversight bodies. It stressed the need to take a fresh look at the statute of the International Civil Service Commission, whose role was not merely to determine percentage salary increases for United Nations staff.

3. He congratulated the Procurement Task Force on its professionalism, despite the difficulties associated with its creation and operation, and supported the Advisory Committee's recommendation for its competencies to be permanently incorporated within the Organization. With regard to internal control, his delegation reiterated its call for the Office of Internal Oversight Services to be totally independent of the Secretariat, since that was the only way to guarantee an objective assessment of staff members' behaviour.

4. On the subject of recruitment, it was intolerable that countries with the same assessed contributions should be represented differently within the Secretariat; his country was one of those that suffered from such an imbalance. A road map to remedy that situation should be implemented without delay, pending fundamental reform of the Galaxy system. It was also time to put an end to the diversity of contractual arrangements for staff members with the same background and duties and, as the Organization prepared to embark on an ambitious technology project, to review the posts of staff members with highly technical functions in order to recruit and retain the best staff in a competitive market.

5. Turning to the issue of mobility, his delegation believed that it should be purely voluntary for existing staff members and should give them the opportunity to move from field to headquarters locations. New vacancy announcements should, however, mention the possibility of a transfer to the field; staff members recruited on that basis would not then be entitled to refuse a subsequent posting to a different duty station.

6. Since staff members also needed an objective system of protection, his delegation was pleased to have played a role in developing a new internal justice system and was certain that its implementation would have positive outcomes. It congratulated the members of the Sixth Committee on their excellent work in preparing, inter alia, the draft statutes of the United Nations Dispute Tribunal and the United Nations Appeals Tribunal, stressing that, since reform could not be imposed, success would depend first and foremost on dialogue between the major stakeholders.

7. **Mr. Alsubeihi** (Yemen) said that human resources development was the cornerstone of the development process. His country was unrepresented in

the Secretariat, and was also one of the least developed countries that lacked the technology to access vacancy announcements through the Galaxy system. That circumstance made it very difficult for candidates from Yemen to submit applications for posts. It was therefore necessary to simplify the recruitment process, particularly for applicants from the least developed countries, and to give them sufficient time to submit their applications. Those countries should be officially notified when there were vacancies with a view to improving equitable geographical distribution. That would enhance the credibility and transparency of the Organization. The procedures followed in selecting staff for appointment should also reflect the independence of the international civil service. His country had many well-qualified employees who met the high level of competence required for recruitment to the Secretariat, but the factors he had mentioned, particularly the time limit, adversely affected the chances of candidates from the least developed countries.

8. Reform of the recruitment process should result in a fair and comprehensive system that would improve the chances of candidates from countries such as his own who wished to apply for posts in the Secretariat.

9. **Mr. Shin** Boonam (Republic of Korea) said that, since the competitiveness of human capital was one of the main factors ensuring sustained economic growth in the current knowledge-based era, the Organization's human resources were critical to the effective implementation of its mandates. Successful human resources management reform was therefore a prerequisite for obtaining the expected outcomes and benefits of other management reforms over the long term.

10. While his delegation concurred with the Advisory Committee that human resources management reform, like other reform issues, should take into account cost-benefit analysis and the principles of efficiency and effectiveness, it was equally important to have high regard for staff morale. Commending the Secretariat on the progress achieved in human resources management reform since the issuance of the Secretary-General's report on investing in people (A/61/255), including in relation to the development of a new talent management system, he welcomed the Secretariat's efforts to enhance its transparency and improve interaction with Member States, which would help to strengthen mutual trust.

11. Agreement was urgently required on two important matters deferred from the previous session: the streamlining of contractual arrangements and the harmonization of conditions of service, which were fundamental to other areas of human resources management reform such as mobility. His delegation believed that Member States were responsible for ensuring implementation of the new framework as of 1 July 2009, pursuant to General Assembly resolution 62/248, and urged the Secretariat to provide additional information on related matters, as detailed in the Advisory Committee's report (A/63/526).

12. Although the Secretariat had made considerable efforts to improve both the geographical balance of United Nations staff, pursuant to Article 101 of the Charter, and its gender balance, much remained to be done. The Secretary-General's report on the composition of the Secretariat (A/63/310) indicated that there had been 40 unrepresented and underrepresented countries as at 30 June 2008, unchanged from the previous year. Women also remained underrepresented, inter alia, at the higher levels, representing around 18.5 per cent of total staff members at the Under-Secretary-General and Assistant Secretary-General grades. The Secretariat should therefore redouble its efforts to improve its gender and geographical balance. His delegation called for such issues to be given due attention throughout the process of structuring the talent management framework, particularly at the initial stage of strategic workforce planning and development of rosters.

13. The Secretary-General's proposal to reduce the vacancy advertisement period from 60 to 30 days should be pursued, provided that such a change did not limit the opportunities for potential applicants around the world to apply. While acknowledging that the national competitive recruitment examination had served as a major cost-effective recruitment tool to provide the United Nations with highly qualified young Professionals at entry level, taking into account geographical distribution, his delegation concurred with the Joint Inspection Unit that some weaknesses needed to be addressed. Most importantly, both the examination process and the process of recruiting successful candidates from the roster should be shortened, so that such candidates were not forced to seek other job opportunities owing to the long waiting period.

14. Since the modernization of human resources functions was one of the key target areas of enterprise resource planning, the Office of Human Resources Management should engage fully in the introduction of the enterprise resource planning system with a view to bringing about efficiency gains.

15. **Ms. Dutt** (India) said that, since an organization's human resources largely determined its success or failure, it was vital for the United Nations to have a well-trained, multi-skilled and committed workforce able to confront the growing challenges and complexities faced by the Organization. It was therefore important not only to recruit and retain high-quality staff but also to motivate them for continuous skills enhancement. Those objectives could only be achieved through the collective efforts of the management and staff, with unwavering support from Member States.

16. Given the critical importance of human resources reform and the Secretary-General's many proposals, she was disappointed that the report of the Secretary-General on human resources management reform (A/63/282), while giving an overview of previous reform proposals and progress achieved, did not provide sufficient statistical data to substantiate that progress or include benchmarks against which it could be measured. Her delegation also concurred with the Advisory Committee's analysis that the report did not set out the financial implications of the proposed initiatives or clear timelines for their implementation. Above all, it failed to analyse the interrelationships between the various human resources reform proposals, which were interlinked and required synchronized implementation.

17. While the Office of Human Resources Management was to be commended for its efforts, given the magnitude of its task and the relative scarcity of its resources, her delegation was concerned by the findings of the in-depth evaluation of that Office, by the Office of Internal Oversight Services (A/63/221), which underscored that the credibility of the staff selection process was not highly rated by stakeholders with regard to facilitating promotional opportunities, identifying highly qualified external candidates and fully supporting gender balance and geographical representation goals. Other areas of concern, including lengthy staff selection time frames, the lack of an integrated approach to career development and the failure of the managed mobility policy, were also highlighted. Her delegation endorsed the recommendations made by the Office of Internal Oversight Services, particularly with regard to the need to develop an integrated framework to enhance the staff selection process, provide better support for career development and promote staff mobility; streamline the delegation of authority; and prioritize the implementation of human resources reform initiatives, being convinced that those measures would help to facilitate effective and efficient human resources management.

18. While welcoming the Secretary-General's aim of implementing an integrated workforce planning system by establishing a talent management framework, she expressed surprise that, in a large and geographically diverse international civil service, it had not been done much earlier, since it would have addressed a number of challenges, including the cost and length of the recruitment process, high vacancy rates and succession planning. Implementation of the workforce planning system should entail the installation of a robust monitoring system to ensure accountability for planning and performance, especially at senior management levels, and to effectively monitor the delegation of human resources authority.

19. With regard to career development and support, training was vital to staff development. The United Nations should nurture talent and encourage professional development on the part of its staff as a means of creating an efficient, versatile and multi-skilled workforce. Her delegation agreed with the Advisory Committee that a more integrated, strategic and results-based approach to training, encompassing both Headquarters and the field, was needed to meet the emerging needs of the United Nations, that clear linkages should be made between training programmes and career paths and that measures to identify and promote future leaders in the Organization — as well as the staff recruitment process at all levels, particularly senior management grades — should be inclusive, transparent, non-discriminatory and merit-based.

20. While a credible, fair and fully functioning performance appraisal system was clearly critical to effective human resources management, various surveys of Secretariat staff had indicated a lack of faith in the existing system. In order to develop a culture where staff were rewarded for performance and penalized for underperformance, it was essential that

appraisals should capture their performance accurately. Her delegation therefore encouraged the Secretary-General to address the reported shortcomings in the existing performance appraisal system without delay and establish clear links between performance and future career paths, as an important step towards rewarding excellence and strengthening accountability.

21. It was important to move with deliberate haste on the streamlining of contractual arrangements and harmonization of conditions of service, which were important outstanding issues with a direct bearing on the overall functioning of the Organization. Multiple contractual arrangements were undeniably inefficient; it was also demoralizing as well as unfair to have disparate compensation, benefits and entitlement schemes among staff performing similar functions. Her delegation therefore looked forward to a satisfactory resolution of those critical issues in the coming weeks.

22. The declared goal of the mobility policy was to develop a versatile, multi-skilled and experienced international civil service. Mobility was also expected to increase the Secretariat's flexibility and responsiveness, improve its programme delivery capacity and offer increased staff development and career advancement opportunities. In that light, noting that the Secretary-General had reported difficulties in the implementation of the managed reassignment programme, and that the Office of Internal Oversight Services had also been critical of that programme, she called on the Secretary-General to undertake the proposed comprehensive review of the mobility policy, taking into account lessons learned from the managed mobility programme, the evaluation by the Office of Internal Oversight Services and the outcome of staff-management consultations. While there were challenges in achieving the desired outcomes, the eventual implementation of the mobility policy, if approved by the General Assembly, would have to be based on a clear definition of mobility and carried out in a fair, transparent and inclusive manner at all levels of the Secretariat.

23. On recruitment and staffing, she welcomed the Secretary-General's efforts to achieve gender and geographical distribution targets, but called for additional measures, including intensive outreach activities, to improve the situation, which was far from satisfactory. With regard to the sharp increase in the use of consultants and individual contractors reported by the Secretary-General, and the fact that a majority of consultants had been engaged for programme implementation and advisory services, normally the responsibility of regular staff, her delegation believed that consultants should only be hired in instances where the necessary in-house skills and expertise were not available, in which case equitable geographical representation should be maintained. Factors contributing to the use of consultants should be identified and appropriate steps taken to address skills gaps within the Secretariat.

24. The expeditious implementation of human resources management reform was particularly important given the transformation of the United Nations from a conference-servicing body to a more field-oriented and operational organization, undertaking ever more complex tasks in the areas of peace and security and economic and social issues. Reform did not come free, but although the initial costs might appear considerable, over the long term the investment would yield high dividends in the form of more efficient and effective delivery of mandates and programme implementation. It was therefore in the Member States' common interest to judiciously provide the resources needed to implement that much-needed and pressing reform.

25. **Mr. Scanlon** (United States of America) said that the Committee's consideration of the Secretariat's proposals for human resources management reform for the second time in 2008 underscored the importance it gave to that issue. While one of its main tasks would be to resume its deliberations on the streamlining of contracts and harmonization of conditions of service, it would also need to consider the many other important issues set out in the reports before it.

26. Noting the Secretary-General's strong emphasis on talent management, his delegation considered that success in that area, which concerned the most valuable resource of the United Nations, its staff, would help to ensure that the Organization's workforce was prepared to meet current and future challenges. It concurred with the recommendations in the Advisory Committee's report (A/63/526) that more progress should be made in such areas as workforce planning and monitoring, career development and training, performance management, strengthening of leadership and management capacity, and use of information technology in human resources management, as well as sharing the Advisory Committee's concern that the Secretary-General's most recent report on human

resources management (A/63/282) did not provide sufficient data to substantiate the progress reported, benchmarks against which it could be measured or an indication of the financial implications of the proposed initiatives. Given the large amount of regular and developmental work that the Office of Human Resources Management must perform, that Office should prioritize its work so as to attain the most important goals first, as recommended by the Office of Internal Oversight Services and the Advisory Committee.

27. Action was essential to address problems in the recruitment and retention of field staff, as well as the related issues of contractual arrangements and harmonization. At the first part of the resumed sixty-second session, in March 2008, the Committee had deliberated at length over proposals for streamlining contracts and harmonizing conditions of service, without reaching agreement. Since then, his delegation had made a strenuous effort to better understand those very complex issues, as a result of which it had determined that it could not agree with the Secretary-General's current proposal, or with the proposal before the Committee in March 2008. While in the best of all possible worlds, consideration might be given to abandoning the existing system for calculating the basic overall package of compensation and benefits and implementing a more modern and simpler system, in view of the short time remaining and the complexity of such an undertaking his delegation had resolved to develop alternative proposals that adhered closely to the current system. It intended to share its ideas for consideration by the Committee and, aware that such consideration would raise difficult issues, it committed itself to working closely with its colleagues in a spirit of cooperation and goodwill.

28. His delegation agreed with the Advisory Committee's recommendation to defer consideration of the introduction of the special operations approach for field duty stations, believing that other measures could be taken to improve recruitment and staff retention at those duty stations. The validity of the special operations approach had not been proven and it was too costly.

29. The Secretary-General's report on the composition of the Secretariat (A/63/310) showed that progress had been made towards achieving equitable geographical and gender representation, which his delegation strongly supported. He encouraged the Secretariat to make further improvements in that regard, particularly on the issue of underrepresented and overrepresented States.

30. Noting the progress made in implementing the Assembly's package of reforms and the Organization's three-pronged strategy to prevent misconduct, enforce United Nations standards of conduct and ensure remedial action, his delegation called on both United Nations personnel and Member States to work towards creating a culture that enforced zero tolerance of sexual exploitation and abuse. It was disappointed that, despite the Organization's efforts to recruit and employ staff with the highest levels of competence, efficiency and, in particular, integrity, there were still too many incidents of misconduct and criminal behaviour. In view of the number of cases of fraud, theft and misappropriation listed in the report of the Secretary-General on actions taken in cases of proven misconduct and/or criminal behaviour (A/63/202), as well as the significant resources contributed by Member States to fund the Organization's mandates, he urged the Assembly to consider additional actions to recover United Nations funds stolen by staff members, including by accessing other assets owned by those staff members or garnishing their pensions.

31. His delegation noted recent efforts to inculcate a culture of ethics and integrity in the Secretariat, as detailed in the Secretary-General's report on the activities of the Ethics Office (A/63/301), and highlighted the importance of the comprehensive risk assessment of the Ethics Office information systems and data, the results of which were yet to be reported. It was also vital to provide staff with a clear understanding of the functions of the different offices responsible for ethics, grievances, staff conduct and discipline, and other personnel matters, so that they knew where to raise their concerns.

32. On the issue of mobility in the Secretariat, although the Secretary-General's report (A/63/208) mentioned the difficulties encountered in implementing the mobility policy, it did not provide an evaluation of its effectiveness. His delegation looked forward to a thorough review of that policy, taking into account the recommendations of the Human Resources Management Task Force.

33. With regard to recruitment, he strongly supported steps to reduce the time it took to hire staff, including by reducing the time period for vacancy

announcements, as proposed in the Secretary-General's report on recruitment and staffing (A/63/285). As for the proposed establishment of a roster-based approach for staff selection, given the importance and complexity of the proposal, he agreed with the Advisory Committee's recommendation that the Secretary-General should present more detailed proposals based on an in-depth evaluation of the current roster system.

34. **Mr. Loy** Hui Chen (Singapore) said that just as his country's steady economic development had been due to its consistent strong emphasis on the development of human resources, so the United Nations needed to reform its human resources policies in order to equip the Organization with staff who could continue its work in the future. His delegation broadly agreed with the Secretary-General's proposal to streamline contractual arrangements and harmonize conditions of service. At the same time, however, in order to try to pre-empt problems that might arise in the future, the reforms should be comprehensive and address related issues such as recruitment, staff performance and training.

35. The new human resources policies should aim to maintain a competent and well-equipped staff to carry out the growing number of mandates, both in the field and at Headquarters. While staff selection should be on the basis of merit, it was also essential for the staff to reflect the character of the Organization's Member States, in particular through equitable geographical representation, which remained lopsided, particularly in some departments. Geographical representation should not be seen as an aim in itself, but, rather, as a way to tap talent from diverse sources. That could only add value to the Organization and make it stronger.

36. A rigorous performance appraisal system was the cornerstone of any human resources management framework. International civil servants must be held accountable for their performance, and there should be penalties for poor performance, an element lacking in the senior managers' compacts. His delegation was not advocating a culture of fault-finding but a credible and transparent system that identified those who performed well and took to task those who performed badly. In that context there was also a need for systematic training and a good system of mobility.

37. A satisfactory balance between staff continuity and mobility should be an essential part of the Organization's human resources policies. While mobility helped to make the United Nations more flexible and responsive and to foster staff development, it should not lead to a loss of specialized knowledge within the Organization. The upcoming wave of retirements, in which some 30 to 40 per cent of senior staff would leave in the next few years, would represent a huge loss of valuable experience and institutional memory. That called for urgent succession planning and a more strategic and holistic perspective in devising long-term solutions to serve the overall interests of the United Nations and its staff. New blood must be injected at all levels while allowing deserving staff to move up the ranks.

38. **Mr. Lwin** (Myanmar) noted with satisfaction the progress achieved in implementing human resources management reform. Ethics, fairness, transparency and accountability were just as important as efficiency in strengthening the United Nations and should be features of all future reforms.

39. His delegation agreed with the Secretary-General's proposals on streamlining contractual arrangements through the use of three types of contract and harmonizing conditions of service by establishing one set of staff rules, and hoped that would allow the Organization to retain experienced and qualified civilian staff for the Secretariat, including in the field.

40. He welcomed the efforts by the Office of Human Resources Management to introduce a new talent management system to handle recruitment. The system would also improve conditions of service and establish a single centralized human resources management tool for the global Secretariat.

41. His delegation had noted with concern that the proportion of successful candidates from unrepresented and underrepresented countries had continued to fall over the previous few years, while the proportion of staff from overrepresented countries had nearly doubled. He reiterated that, as reflected in General Assembly resolution 55/258, achieving equitable geographical distribution and gender balance should be a priority for the Organization and its agencies, funds and programmes.

42. **Mr. Badji** (Senegal) said that it was imperative to ensure equity and fairness for staff members in the United Nations system during the human resources reform process. The new recruitment system should give equal opportunities to all candidates at all levels.

43. On the issue of gender, the Secretary-General should make greater efforts to promote women — particularly women from developing countries, and from Africa above all — to the highest positions in the Secretariat.

44. With respect to the geographical distribution of posts, there was no reason for the significant numbers of overrepresented and unrepresented States. To ensure equitable geographical representation, the Secretariat should set specific short- and middle-term goals, which should be periodically assessed by the Member States.

45. It was unfortunate that the United Nations had hired some 7,000 consultants in 2007 at a cost of over $100 million, at a time when the Development Account was inadequately funded and important development programmes were drastically short of funds. The use of consultants should be scrutinized to find savings. The money saved could be used for staff training focusing on areas requiring specific skills, such as information technology, interpretation and translation, and for incentives to help retain outstanding staff members.

46. His delegation invited the Secretary-General to present a comprehensive strategy to forestall problems that might arise owing to the impending retirement of thousands of staff in the Professional and higher categories, many of whom were in positions subject to geographical distribution, and to deal with difficulties in recruiting staff for language positions, particularly for French.

47. **Mr. Safaei** (Islamic Republic of Iran) said that a phased approach to human resources management reforms was most appropriate, so that the effects of previous measures could be evaluated before further steps were taken. The proposals made to Member States should evince strategic planning that incorporated, inter alia, career development, transparency, accountability and geographical representation. His delegation wished to see, in particular, a credible and efficient performance appraisal system.

48. The national competitive examination was the most useful recruitment tool for achieving benchmarks in geographical and gender representation. Flaws in the examination could be corrected by implementing the recommendations of the Joint Inspection Unit and the Board of Auditors. As recommended by the Advisory Committee, the scope of the examination should be broadened to cover more posts than those subject to geographical distribution. Moreover, the recruitment process should be shortened, but the length of the advertising period should be maintained so as to permit outreach to developing countries with limited communications facilities.

49. His delegation was concerned that it was compelled to repeat its request to the Secretary-General to accelerate the recruitment of candidates who had passed the national competitive examination when a large number of staff were receiving extensions beyond the mandatory age of separation. Such extensions, which the General Assembly had allowed only in exceptional circumstances, were becoming a common occurrence in many departments. He also requested information on the justification and guidelines for the use of gratis personnel from entities other than the Governments of Member States.

50. His delegation was also concerned about the unprecedented increase in the hiring of consultants and was disappointed that the Secretary-General had not provided the information on consultants and contractors requested in General Assembly resolution 57/305. It would support proposals aimed at maximizing the use of the Secretariat's in-house capacities.

51. **Mr. Shen** Yanjie (China) said that although fewer Member States were either unrepresented or underrepresented in the global Secretariat, developing countries were still underrepresented in high-level and decision-making posts, and the overall distribution of Secretariat staff remained imbalanced. He urged the Secretariat to seek effective solutions to those issues, and also welcomed the steady increase in recruitment from national competitive examinations over the past three years. The Secretariat should continue to increase such recruitment, and actively manage the roster and with a view to shortening the time needed for recruitment.

52. He welcomed the efforts of the Secretariat to streamline contracts, in which regard there was a need for clear, transparent and fair policies. It was important to deal prudently with the financial and budgetary issues arising from the transition from existing contracts to new types of appointment. Harmonization of conditions for staff working in the field and in agencies, funds and programmes would improve conditions of service and help to maintain the common

system. It would also help to attract and retain talented people.

53. He welcomed the efforts to broaden implementation of the mobility policy, and thanked the Secretariat for focusing on the lack of incentives and inadequate measures in that regard. Implementation of staff mobility required consideration of job requirements, the Organization's strategies, and the desires and career development needs of individuals. Openness, equity and fairness were important, as was ensuring that stakeholders could express their personal wishes.

54. The establishment of the Ethics Office had been important for a culture of ethics and integrity within the United Nations. He commended the results achieved by that Office. An increasing number of service requests reflected rising expectations for the Office, and he hoped it would continue to maintain its independence and fairness in discharging its mandate.

55. **Mr. Yaroshevich** (Belarus) said that there could be no excuse for the non-representation or underrepresentation of regional groups at the senior managerial levels. The principle of equitable geographical representation should be fully observed by appointing senior managerial staff from the five regional groups to the five highest posts in each department. Such appointments should be made gradually, as the opportunity arose, to remedy the current imbalance in the geographical distribution of posts.

56. He welcomed the efforts to address the imbalance in the geographical distribution of staff in the Office of the United Nations High Commissioner for Human Rights, but felt that more effective measures could have been taken. The national competitive examination was not sufficient to improve the situation.

57. His delegation wished to have updated information on the geographical distribution of Professional and higher staff in all departments and offices of the United Nations.

58. **Mr. Kishimoto** (Japan) said that reform of human resources management should start with a shared understanding of current problems. The current system's functioning should be carefully evaluated by all key players to identify specific issues for reform. Human resources responsibilities had been widely delegated to programme managers, who tended to focus on their immediate needs and not the longer-term interests of the Organization. The poor results obtained so far on mobility, recruitment and geographical representation revealed the need to change the human resources structure; a panel of external and independent experts should be set up to make recommendations. To achieve the aims of the Secretary-General in that area, authority for human resources should be centralized and each programme manager should be aware of the need to realize organizational goals and be accountable to the Secretary-General and the Member States.

59. Current recruitment delays appeared to derive from control by programme managers of vacancy advertisements and candidate selection, along with a lack of specific selection criteria. To facilitate the introduction of a pre-screened roster, a central human resources authority should be given responsibility for managing staff placement. Merely simplifying current procedures would not necessarily eliminate the arbitrary selection, sometimes reflecting nepotism, apparent in the current system. Further, the proposed pre-screened roster system would overlook qualified candidates from underrepresented countries for years. A fair and transparent system of selection criteria, along the lines of a personal score system that would translate work experience and organizational needs into a numerical score, was urgently needed, and strategic workforce planning should be considered in conjunction with career development policies across departments. The current excessively specialized job categories should be integrated into a broader pool so as to foster a multi-skilled workforce, while the current top-heavy structure could be corrected as large numbers of employees retired.

60. The decrease in numbers of nationals of underrepresented Member States over the past six years signalled the need for significant improvement, including strengthening the central authority of human resources management in order to achieve agreed goals; setting numerical targets in the human resources action plan and senior managers' compacts; strengthening the Management Performance Board; making participation by the Office of Human Resources Management in interview panels mandatory; centralizing recruitment authority in each department's executive office; and giving central review bodies input in candidate selection. Outreach to unrepresented

and underrepresented countries remained a continuing and core mandate of the Office.

61. To ensure successful career development in the United Nations, people with real managerial capacity should be selected for managerial posts. A 360-degree performance appraisal for all current and potential managers should be carried out and used in the selection of candidates for positions at the D-1 level and above. Clear target groups for strategic career development were needed. The functioning of the national competitive examination should be improved, beginning with a statistical analysis of staff recruited at the P-4 level and above.

62. The lack of policy integration in terms of mobility and the inherent conflict of interest between line managers and the Organization indicated the need to centralize the mobility function. While mobility was required for a healthier civil service, the current mobility policy was cumbersome, and a more strategic approach with a focused target group was needed. Moreover, dialogue between staff and management was needed to revise performance management tools. It was clear that the current performance appraisal system, having rated 99.4 per cent of staff as "fully satisfactory" or better, needed remodelling.

63. The long-term implications of streamlining contractual arrangements also needed careful consideration. Granting continuing appointments would ensure lifetime employment, forcing Member States to fund them regardless of mandates. The indefinite contracts granted in the Office of the United Nations High Commissioner for Refugees could serve as a useful model, as could the proposal to create career civilian peacekeeping posts through a competitive process. Contractual arrangements, essentially a recruitment tool, did not necessarily guarantee fair recruitment, mobility or integration between Headquarters and the field. If integrated human resources were considered necessary for peace operations, the Secretary-General's proposal to establish civilian career peacekeepers (A/61/850) should be carefully examined. Each mission had a finite mandate, and the distinction between the ongoing need for peace operations and the temporary need for individual missions had to be preserved in order to avoid unreasonable expectations of recurring appointment.

64. Finally, a thorough review was needed to determine whether current staff entitlements were justified. Entitlements should reflect the nature of the contract and mandate; the staff of funds and programmes were subject to a rotation policy related to long-term organizational strategy, while peace operations staff were employed to carry out mandates of finite duration at specific times and locations.

65. **Mr. Coffi** (Côte d'Ivoire) said that annex II to the Advisory Committee's report on human resources management (A/63/526) indicated, with respect to the United Nations Operations in Côte d'Ivoire, that the city of Abidjan had been reclassified from security phase II to phase III. He had ascertained, from the Department of Safety and Security, the Chairman of the International Civil Service Commission and his Government, that Abidjan had been classified in phase II since 2007. He therefore requested the Secretariat to issue, as soon as possible, a corrigendum correctly identifying Abidjan as a family duty station, and to provide a written explanation of the change in classification.

66. At a time when Côte d'Ivoire was working painstakingly, in cooperation with the United Nations and the international community, to implement the Ouagadougou Political Agreement, it was advisable to avoid derailing the peace process. The security phase in effect had strategic and political significance for the upcoming general elections in Côte d'Ivoire: he therefore urged the Secretariat to remain consistent in its decisions to ensure the success of the election process.

67. **Mr. Tommo Monthe** (Cameroon) said that he supported the Secretary-General's measures on strategic planning. Staff had been dissatisfied since more authority had been delegated to programme directors. The Office of Human Resources Management should develop oversight measures to monitor how programme managers handled that authority, and should sanction or recall any programme directors who abused their authority, while commending those who did well.

68. Mobility policy should not be a cause for fear among staff, nor should managers use it as punishment. Mobility should allow staff to gain a broader perspective and serve as ongoing training and professional development, which a complex and diverse civil service required. It must be managed with

tact and skill and be transparent to staff and Member States alike. Proper mobility planning was important, and all data assembled on mobility should be provided to the Fifth Committee to facilitate its decisions.

69. He supported simplification of contractual arrangements. Ambiguity regarding continuing contracts must be eliminated by clarifying criteria for the granting of such contracts, so that managers would not act improperly. The Advisory Committee had made relevant comments on the issue, and had also noted that staff hired for peacekeeping operations who had displayed competence, effectiveness, ability and integrity should have their contracts extended. The lack of long-term prospects at the conclusion of missions made those posts less attractive.

70. Harmonization of service, if done well, would help renew human resources and reduce staff vacancies. Harmonization of conditions of employment system-wide would promote mobility throughout the system. At the same time, that mobility must not cause turmoil in activities away from Headquarters, especially in peacekeeping operations. Finally, the Secretary-General must improve the relationship between staff and the Administration, especially at Headquarters and in Geneva.

71. **Mr. Abushawashi** (Libyan Arab Jamahiriya) said that human resources management was of particular importance because of its close link with the reform of the Organization and the improvement of its management and working methods. In that regard he recalled the provisions of Article 101 of the Charter, and the necessity of securing the highest standards of efficiency, competence, and integrity and of recruiting staff on as wide a geographical basis as possible.

72. His Government considered geographical representation to be particularly important. Like many others, his delegation was concerned at the fact that many countries were either unrepresented or underrepresented. His own country was currently underrepresented and its level of representation would fall still further unless a number of its nationals were appointed in the near future. That was despite the fact that his country had regularly paid its assessed contributions to the United Nations budget. As part of the reform of human resources, the Office of Human Resources Management should take appropriate measures to bring the representation of all States to acceptable levels. Measures should be taken to appoint nationals of the States concerned to the Secretariat, to which end recruitment examinations should be organized.

73. While welcoming the efforts made by the Secretary-General in that connection, his delegation drew attention to chapter IV B of the Secretary-General's report on human resources management reform (A/63/282), and in particular to a contradiction between paragraphs 54 and 57 of the report concerning geographical representation and gender balance; it was not fair for candidates to be selected from an overrepresented Member State while there were 16 unrepresented and 17 underrepresented Member States.

74. He also drew attention to the question of vacancy announcements referred to in the report of the Secretary-General on recruitment and staffing (A/63/285), and in particular to the proposal that the time period for the advertisement of vacancies should be reduced from 60 to 30 days. Such a step would be prejudicial to potential recruits from many Member States with limited access to the United Nations website.

75. While appreciating the efforts that had been made to reform the United Nations, his delegation hoped that the Secretary-General would continue his efforts to achieve equitable geographical representation in all departments, and a balance between developing and developed countries, particularly with regard to senior posts.

76. **Mr. Bui The Giang** (Viet Nam) said that his delegation strongly supported human resources management reform, particularly in view of the pivotal role of the staff in the implementation of the multidisciplinary workload assigned by the Member States. Reform measures often took time to produce results, and it was therefore particularly important to ensure equal treatment of the staff, including equality of opportunity in the context of career development. Experts who had proved their value through efficient performance in the field should not be required to re-apply for their job on termination of their field assignment.

77. He supported efforts to simplify work contracts, and the intention of achieving a single set of regulations to be applicable across all United Nations bodies, funds and programmes, and urged that action should be undertaken to accelerate the harmonization and integration of conditions of service.

78. Recruitment was an issue of concern to many delegations as there were still discrepancies that hindered gender equality and balanced geographical representation, especially at senior levels. Stronger measures were needed to address that problem, in particular to improve the geographical representation of the developing countries.

79. In conclusion, he noted the Secretary-General's intention to suspend the mobility programme and review the current policy so as to incorporate lessons learned. His delegation concurred with that idea in principle but urged that two aspects of mobility should be taken into account: it helped Headquarters staff to understand the situation away from Headquarters, but it also entailed difficulties for staff and their families. He suggested that a period of perhaps five years should be spent in each location before redeployment could take place, thus minimizing the possible adverse affects on staff of the mobility policy.

80. **Mr. Kovalenko** (Russian Federation) said that his delegation would consider the Secretary-General's proposals for human resources management reform on the basis of whether they improved the staffing policy and the functioning of the Organization, satisfied the need for qualified personnel and were affordable. Unfortunately, the reports before the Committee contained no strategic vision for the development of the United Nations and its human resources management policies.

81. His delegation was of the view that the Secretary-General's proposals on contracts would have the effect of strengthening the system of career service in the Organization and would extend that system to peacekeeping operations. He had serious reservations about such an approach, both as to its effectiveness as staffing policy and its impact on costs. The new continuing contracts would in fact be quasi-permanent. Fixed-term contracts, as formulated by the Secretariat, would become a long-term probation lasting until the staff member was granted a continuing — in effect a de facto permanent — contract. Such a situation was contrary to the concept of flexible, effective personnel management responding to the changing needs of the Organization. He doubted that continuing or quasi-permanent contracts should be used at all: they would create inequitable conditions for staff members performing the same duties in the same workplace but with different degrees of job security. Furthermore, the level of protection under continuing contracts would not improve productivity or encourage professional development in staff members who were not required to demonstrate their ongoing usefulness to the Organization.

82. In addition to temporary contracts, the Committee should seriously consider using just one type of contract: fixed-term. The advantages would be that staff members would be treated equitably, the system of contracts would be simpler and therefore more comprehensible, and the problems associated with permanent contracts would be avoided. Moreover, fixed-term contracts would be an effective staff management tool because they would keep staff members committed to their work and raise productivity and accountability, since staff would be aware that the contracts were subject to renewal after a certain number of years.

83. The Secretary-General's proposals on conditions of service in non-family duty stations were costly and insufficiently justified. Moreover, the International Civil Service Commission had not proposed any realistic mechanism for their harmonization or oversight. The Commission, the Member States and the Secretariat were to blame for turning a blind eye as the funds and programmes had gradually diverged from the United Nations with respect to conditions of service in the field. The time might have come to allow the funds and programmes to leave the common system, which they were already doing in any event. As long as conditions of service at non-family duty stations were not part of the common system, which meant that General Assembly decisions on the matter were not binding on all entities of the United Nations system, it was not possible to speak of harmonization of conditions of service.

84. His delegation was prepared to discuss the use of rosters for recruiting staff, but continued to have serious concerns about the lack of transparency in staff selection, problems with the management of the system, and the likely decrease in the quality of candidates owing to the fact that they would be applying for future vacancies. He would welcome, however, any further measures aimed at shortening the timelines for staff selection.

85. The mobility policy had failed to yield positive results. Noting the Secretariat's decision to halt the process in order to assess the policy and make improvements, he stressed that any proposed

modifications must be approved by the General Assembly before being implemented.

86. On the question of geographical distribution, he pointed out that the geographical quotas were merely desirable targets. The Secretariat should take proactive measures to recruit candidates from unrepresented or underrepresented countries, but the geographical factor must not lead to discrimination against candidates from overrepresented countries. The Office of Human Resources Management should more actively explain the existing rules and procedures to departments and managers to clarify that selecting candidates from overrepresented countries did not constitute an exception to those rules.

87. **Ms. Maxfield** (Department of Field Support), replying to a question from the representative of Côte d'Ivoire said, with regard to the error in annex II to the Advisory Committee's report, that her office recognized that Abidjan was, in fact, in security phase II, and would make the appropriate correction. However, Abidjan had not yet been assigned family duty station status, and would therefore remain listed as a non-family duty station.

The meeting rose at 12.45 p.m.

United Nations A/C.5/63/SR.19

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Chairman: Mr. Bródi ..... (Hungary)
Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kelapile

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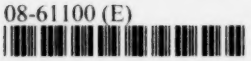

The meeting was called to order at 10.10 a.m.

Agenda item 129: Administration of justice at the United Nations (A/62/7/Add.39, A/62/748 and Corr.1 and A/62/782; A/C.5/62/27; A/63/132, A/63/211, A/63/253, A/63/283, A/63/314 and A/63/545; A/C.5/63/9)

1. **Ms. Kane** (Under-Secretary-General for Management), introducing the reports of the Secretary-General on administration of justice (A/62/748 and Corr.1, A/62/782, A/63/211 and A/63/314), said that reform of the internal justice system was a priority for the Organization and responded to a strongly felt need, as had been recognized by the General Assembly when it had decided to establish a new system of administration of justice (resolution 61/261) and when it had agreed on the key features of such a system, including the new United Nations Dispute Tribunal and United Nations Appeals Tribunal (resolution 62/228). The new system would help the Organization to fulfil its responsibility to promote a harmonious working environment through the fair and efficient handling of internal disputes, which was just as important for management as for staff. In addition to offering a professional system of justice, the new framework would strengthen accountability and would encourage better management practices.

2. The Assembly's decision that the new system should be implemented on 1 January 2009 had been based on the assumption that decisions on the statutes of the new Tribunals and on transitional measures would be taken before the end of the sixty-second session. However, owing to the heavy workloads of the Fifth and Sixth Committees at that session, no decisions on the statutes or transitional measures had been taken. In the meantime, the Secretariat had worked diligently to prepare for the new system. Extensive consultations had been held on job descriptions and vacancy announcements, all of which had now been posted on the Galaxy system. The Internal Justice Council had been established and had been supported by the Secretariat. Several working groups were tackling different aspects of the preparations. Nonetheless, implementation of the new system was behind schedule. Some crucial elements could be completed only after the requisite decisions had been taken by the General Assembly and the judges of the new Tribunals had been appointed. In that context, a start date of January 2009 was not realistic.

3. It was therefore necessary to ensure that the current system remained functional until the new one was ready to be implemented. The Secretariat was already making preparations in that regard. The capacity of the United Nations Administrative Tribunal needed to be maintained, and the General Assembly would need to take exceptional measures to ensure that certain members of the Tribunal whose terms were due to expire at the end of 2008 could continue in their functions.

4. The report contained in document A/62/782, which had been prepared for the resumed sixty-second session, responded to requests from the General Assembly for additional information and sought the Assembly's approval of the statutes of the two new Tribunals. It also presented the Secretary-General's proposal on transitional measures which would allow a smooth shift from the current system to the new one. The report contained in document A/62/748 responded to requests from the Sixth Committee and presented similar information.

5. The statutes were the legal foundation of the new system, and she looked forward to their adoption at the main part of the current session. The Sixth Committee had recently agreed on most of the text of the draft statutes but had taken the view that a number of matters should be decided by the General Assembly following the recommendation of the Fifth Committee.

6. One of those matters was how to handle the large number of cases that would not be resolved in the current system before the transition to the new system took place. The Secretary-General's proposal was to transfer all cases pending in the current system, whether before the joint bodies or the United Nations Administrative Tribunal, to the United Nations Dispute Tribunal, which would be strengthened for one year by three ad litem judges and additional Registry staffing with a view to clearing the backlog.

7. That proposal had a number of advantages. First, since the Dispute Tribunal had three branches, each served by a Registry to which the cases could be distributed, the burden of the backlog would not fall on a single body and the cases could be considered with maximum efficiency. Second, since three of the Dispute Tribunal judges and the ad litem judges would serve on a full-time basis, they would be able to address more cases than the joint bodies or the United Nations Administrative Tribunal, which did not operate

on a full-time basis. Third, there would be no need to maintain two parallel systems. If the backlog had not been cleared by the ad litem judges within a year, the remaining cases would be transferred to the Dispute Tribunal and staffing could be enhanced on the basis of requirements. The current proposal was supported by the staff, who had clearly indicated their preference for full transition to the new system as soon as possible.

8. The report contained in document A/63/314 responded to requests made by the General Assembly in its resolution 62/228 and included a description and explanation of the various options for the delegation of authority for disciplinary matters. The Secretary-General's preference was to proceed with limited delegation of authority in a phased manner, beginning with a number of peacekeeping operations. She looked forward to receiving Member States' guidance with regard to the proposal, which also now needed to be considered in the context of a possible delay in the implementation of the new system. The Secretary-General also requested Member States' approval of revisions to the Staff Regulations and the conditions of service of the judges in the new system.

9. Turning to the report on the work of the Joint Appeals Board during 2006 and 2007 and statistics on the disposition of cases and work of the Panel of Counsel (A/63/211), she said that statistics compiled since the report's issuance showed that the number of applications received by the Administrative Tribunal had increased significantly, from a total of 49 for the whole of 2007 to 80 thus far in 2008. If that rate was maintained until the end of the year, the total number of applications received in 2008 would be more than double that of the previous year.

10. The number of cases being considered by the Panel of Counsel, the Administrative Law Unit, the Joint Appeals Boards and the Joint Disciplinary Committees had also increased. Significant efforts would be required in order to dispose of as many cases as possible and to ensure that adequate arrangements were in place for the transition from the current system to the new one.

11. The introduction of the new system of administration of justice was an important management reform with many stakeholders: Member States, the Secretariat, the funds and programmes and, most of all, the staff of the United Nations. The fact that the necessary arrangements were almost complete showed that, when everyone worked together with a common goal in mind, great successes could be achieved. The final hurdles must now be overcome so that the new system could be implemented in 2009.

12. **Mr. Barkat** (Ombudsman), introducing the report of the Secretary-General on the activities of the Ombudsman (A/63/283), thanked the Committee for its support for the Office of the Ombudsman and said that the Office would make every effort to implement its new mandate swiftly and efficiently. The report covered the Office's activities during the period from 1 August 2007 to 31 July 2008 and contained observations on systemic issues based on cases handled by the Office during that period. It also provided an overview of the transitional measures being developed with respect to the establishment of a single integrated and decentralized office, as mandated by the General Assembly in its resolution 62/228.

13. Since his appointment seven months previously, he had had the opportunity to address both staff and management in various forums at Headquarters and in the field. Such exchanges were useful for raising awareness of the Office's mandates and services, assessing the needs and concerns of the various constituencies in the Organization and building trust and confidence in both the formal and the informal components of the revamped system. There was a strong sense of duty and commitment among staff throughout the Organization and a firm belief in the ideals and values of the United Nations. There was also a prevailing view that the new system of administration of justice must be more transparent, efficient, comprehensible and accessible to all. The Office's efforts were geared towards encouraging staff to solve problems informally, confidentially and impartially and to use the Office to help defuse tensions before they turned into more protracted conflicts.

14. Chapter IV of the report dealt with statistics. The number of cases brought to the Office's attention had increased steadily and had reached a total of 670 during the reporting period. In other words, staff were increasingly using the informal system to address their grievances. The time taken to resolve cases depended on the scope and complexity of the issues raised and on whether mediation or intervention was required.

15. With regard to gender distribution, 52 per cent of the cases had been initiated by men and 47 per cent by women. Most cases originated either from peacekeeping

missions (39 per cent) or offices away from Headquarters (34 per cent). Approximately 47 per cent had been initiated by staff members in the Professional and higher categories. Future reports would contain further analysis of the possible causes and implications of those trends.

16. As in the past, the issue most commonly raised by staff was career progression and development, which accounted for about 23 per cent of the cases brought to the attention of the Ombudsman during the reporting period. Interpersonal issues accounted for 18 per cent of cases, while conditions of service accounted for 15 per cent. Other issues, such as separation and termination, entitlements and violations of standards of conduct, each accounted for 10 to 13 per cent of the cases.

17. Chapter V of the report recalled some of the systemic issues addressed and recommendations made in previous reports and provided an overview of systemic issues identified during the reporting period, including perceived disparities in recruitment processes and mobility and career development issues, particularly those affecting staff recruited through the G-to-P examination and the national competitive examination.

18. He welcomed the report of the Secretary-General on measures taken to address seven systemic human resources issues which had been raised by the Office of the Ombudsman in the context of the reform of the internal system of administration of justice (A/63/132). The Office of the Ombudsman interacted regularly with the Office of Human Resources Management and with senior managers and staff associations across the Organization on specific and systemic issues, and would continue to do so.

19. Chapter VI of the report on the activities of the Ombudsman related to the measures approved by the General Assembly at its sixty-second session to strengthen the capacity and reach of the Office of the Ombudsman. The first component was the creation of a single, integrated and geographically decentralized structure that served the Secretariat, funds and programmes. As requested by the General Assembly, the Office of the United Nations Ombudsman, the Office of the Joint Ombudsperson and the Office of the Mediator of the Office of the United Nations High Commissioner for Refugees (UNHCR) had intensified their coordination and cooperation with a view to enhancing the complementarity of their roles and services. Those efforts were also geared towards the harmonization of standards of practice, data-collection methodology and reporting mechanisms. The use of common systems would make it possible to compile and compare data and to identify trends and cross-cutting areas. The integrated Office was currently analysing previous reports with a view to the future production of joint reports highlighting the salient issues in each of the entities served by the integrated Office.

20. The Office was also updating its communication tools and restructuring its website in the six official languages in order to reflect the new functions and services provided. The ongoing decentralization of services and the creation of a Mediation Division would require intensified outreach and communication efforts, both internally and externally, in order to raise awareness of the new and expanded structure of the Office and how best to use it.

21. At the request of the General Assembly, the Office's terms of reference were currently being revised in order to incorporate the new elements of the reform mandated by the Assembly. After consultations with key stakeholders, including staff representatives and management, the revised terms of reference would be promulgated in a new Secretary-General's bulletin, in accordance with established procedures.

22. The second component of the reform of the Office was the creation of regional branches in Bangkok, Geneva, Nairobi, Santiago and Vienna, as well as in the peacekeeping missions in the Democratic Republic of the Congo and the Sudan. All new posts in the regional branches had been classified and advertised. Applications for the positions of Regional Ombudsman and related positions were being reviewed and candidates would be interviewed in the near future. In the context of preparations for the establishment of the regional offices, he had met staff and management representatives based in Nairobi, Vienna and Geneva, and similar meetings would be held in Santiago, Bangkok, Khartoum and Kinshasa in the coming months.

23. The third component of the reform was the establishment of a Mediation Division within the Office of the Ombudsman in New York to provide formal and informal mediation services to United Nations and related personnel. Some senior positions

in the Division had been advertised. The Office was also developing guidelines and operating procedures for the Division on the basis of extensive consultations with key stakeholders in the administration of justice system, including staff representatives and management. It was expected that candidates for the roster of mediators would be identified in the first quarter of 2009. In the meantime, existing staff could handle mediations as needed.

24. Chapter VII of the report, entitled "Future directions", identified the areas that would require particular attention in the year ahead, including efforts to ensure consistency in practices and principles within the integrated Office; clarification of the roles of the various mechanisms available for conflict resolution; provision of quality mediation services to staff of the Secretariat and the funds and programmes; and close monitoring of the overall performance of the integrated Office. In addition, the new decentralized structure would require added oversight and coordination. Consideration would be given in the coming months to the best way of addressing those tasks.

25. **Mr. Kelapile** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the reports of the Advisory Committee on the administration of justice (A/62/7/Add.39 and A/63/545), said that, in the first of the two reports, the Advisory Committee recommended approval of the transitional measures proposed by the Secretary-General, including the transfer of all pending cases to the United Nations Dispute Tribunal once the new system was in place. The Committee also recommended approval of the strengthening of the Dispute Tribunal in order to address those cases, through the addition of three ad litem judges for a 12-month period following the establishment of the Tribunal.

26. Turning to the Advisory Committee's second report, he noted that, despite the additional resources provided by the Assembly for the purpose of clearing the backlog of cases prior to the implementation of the new system, progress had been affected by the exceptionally large number of new cases filed in the first half of 2008, in particular disciplinary cases. It was necessary to monitor and analyse such trends and to address the backlog as a matter of urgency, using the available resources as efficiently as possible.

27. The Secretariat was behind schedule in the preparatory work related to the implementation of the new system of internal justice, partly because of the lack of staff in the Office of Administration of Justice and partly because the statutes of the new Tribunals had not yet been adopted. None of the 30 posts authorized for the Office had been filled. Given those and other delays, the new system of administration of justice might not be ready for implementation as envisaged in January 2009. Every effort should be made to complete the required preparatory work as a priority issue, and the Secretary-General should be requested to update the timeline for the implementation of the new system. In addition, the timely appointment of the Executive Director of the Office of Administration of Justice was particularly important in order to provide the necessary leadership in the preparatory work and to ensure that the new system could be launched as soon as possible. The Advisory Committee recommended that the Secretary-General should be requested to make the necessary preparations to ensure that the existing system could continue to function in a satisfactory manner in the meantime.

28. With regard to cost-sharing arrangements, the Advisory Committee did not agree with the suggestion of the funds and programmes that cost-sharing arrangements should be determined on the basis of actual cases disposed of rather than the total number of staff, or "headcount". Such a method raised a number of practical difficulties, including the question of when the actual share of costs would be known and how provision for such costs would be made in the respective budgets of the entities concerned. In the light of the General Assembly's decision to approve the Secretary-General's proposal for a cost-sharing arrangement based on the total number of staff members in the Secretariat and the funds and programmes, the Advisory Committee recommended that the Secretary-General should be requested to pursue and conclude discussions on an arrangement based on headcount.

29. Turning to the question of the delegation of authority for disciplinary matters, he noted that the Secretary-General was proposing limited delegation of authority to heads of offices away from Headquarters and heads of mission to impose minor sanctions, while the authority to impose more severe sanctions would remain with the Under-Secretary-General for Management. That system was to be phased in,

beginning with selected peacekeeping operations. The Secretary-General had also indicated that certain prerequisites must be in place prior to the implementation of the proposed limited delegation of authority, including the formulation of a concrete proposal on the imposition of fines and/or censures; specification of the roles and responsibilities of the various entities involved in investigations; clarification of the type and timing of legal assistance to be provided to staff members; and finalization of the procedures related to the new mechanisms of the disciplinary process.

30. The Advisory Committee considered that the Secretary-General's proposals did not fully respond to the General Assembly's request in its resolution 62/228, in that they did not provide an assessment of possible implications for due process rights of staff members or options for delegation of authority for disciplinary measures. Further efforts were required to explore other options for managing disciplinary cases, with a fuller analysis of the advantages and disadvantages of each option. The Advisory Committee therefore recommended that the Secretary-General should be requested to submit a new proposal to the General Assembly at its resumed sixty-third session, including a variety of options, with full costing.

31. The Advisory Committee had also commented in its reports on other matters covered in the Secretary-General's reports, such as the scope of the new system, the payment of an honorarium for judgements to be completed by the United Nations Administrative Tribunal in 2008, the conditions of service of judges in the new system of internal justice, mechanisms for the formal removal of judges, a staff-funded scheme for legal assistance for staff and possible uses of information and communication technology in the administration of justice system.

32. The Advisory Committee also noted that a number of items on which the Secretary-General had been requested to report had been included in the draft statutes of the Tribunals. In that connection, it noted that the draft statutes, as adopted by the Sixth Committee (A/C.5/63/9), had recently been forwarded to the Chairman of the Fifth Committee by the President of the General Assembly. The expeditious adoption of the statutes of the Dispute and Appeals Tribunals was of critical importance.

33. With regard to the Secretary-General's report on the activities of the Ombudsman (A/63/283), the Advisory Committee emphasized the need to issue the revised terms of reference for the Ombudsman, which should take into account the changes in functions, presence and proposed locations, as requested by the General Assembly. In the light of the Ombudsman's comments concerning the overlap and lack of clarity in the role of the Office of the Ombudsman and that of other offices, such as the Ethics Office, the Advisory Committee urged the Secretary-General to clarify the respective roles and responsibilities of those Offices and to update the information circular on conflict resolution as a matter of priority.

34. With regard to the Ombudsman's ongoing efforts, in collaboration with the funds and programmes, to develop an appropriate structure for the future joint report, the Advisory Committee believed that it would be helpful if future reports included monthly data and analysis for the relevant period, as well as statistical information on cases and analysis of data and trends over a five-year period or longer. Consideration should also be given to ways of measuring the effectiveness of the interventions of the Ombudsman.

35. Lastly, the strengthened Office of the Ombudsman and the new Mediation Division were key elements of the new internal justice system, which should be instrumental in facilitating the early resolution of conflicts in the United Nations. Both the formal and the informal components of the system of internal justice must be effective in order to ensure that cases were disposed of in a fair and timely manner.

36. **Mr. Kisambira** (President of the United Nations Staff Union) said that he welcomed the opportunity to present the views of the United Nations Staff Union, the Field Staff Union and the Staff Coordinating Council of the United Nations Office at Geneva on administration of justice, as set out in the report on views of the staff representatives of the United Nations Secretariat (A/C.5/63/3/Add.2).

37. Expressing serious concern that the Secretary-General had failed to fill the posts required for the new internal justice system, particularly in the Office of Administration of Justice, and that such failure might be presented as an excuse for delaying its implementation, he said that the staff were eager for the new system to come into effect on 1 January 2009, as agreed by the General Assembly, especially since it

had already been deferred for one year to allow enough preparatory time before implementation.

38. The Organization's current system of administration of justice, which was ineffective and lacking in professionalism, as recognized in General Assembly resolution 61/261, denied United Nations staff members access to the justice ordinarily applicable in the host country, in breach of the provisions of Article III of the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations. The Secretary-General's failure to meet his responsibilities in a timely manner contrasted with the Internal Justice Council's success in expeditiously advertising for, examining, vetting and recommending judges, as set out in its report (A/63/489). In view of the Council's effectiveness and independence, it should also have been mandated to interview and vet all the candidates for posts in the new administration of justice system, including that of Executive Director of the Office of Administration of Justice. To ensure that the new system could be implemented as of 1 January 2009, the Committee might therefore wish to consider requesting the Internal Justice Council to interview, vet and recommend candidates for the remaining vacant posts in the Office of Administration of Justice or offering such vacant posts, on an interim basis, to the remainder of the candidate judges recommended by the Council, after the judges for the two new Tribunals had been selected. If the United Nations failed in its efforts to implement the new internal justice system by 1 January 2009, the Committee should perhaps ask the Secretary-General to allow United Nations staff to avail themselves of the jurisdiction of the federal, state and local law of the United States, in accordance with the headquarters agreement.

39. Given that the General Assembly, in its resolution 62/228, had asked the Internal Justice Council to submit its views on the implementation of the administration of justice system, the Council must be provided with the resources to investigate and report back on the functioning of the system not only in New York and Geneva, but also in Nairobi, Bangkok and Santiago. In about a year's time, it should be able to interview the judges, their staff and the staff representatives to assess the performance of the new system and present an interim report to the General Assembly.

40. The staff representatives were also seriously concerned about the lack of provisions for sanctioning or removing judges and suggested that the Committee might wish to consider assigning that role to the Internal Justice Council, to ensure the independence of the new administration of justice system. It was, after all, only fitting that judges should be removed via the same mechanisms by which they were appointed.

41. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the issue of administration of justice, which was an integral part of an effective human resources management system and could not be separated from any process of reforming that system. While the issue — in particular the deficiencies of the current system, the backlog of cases, and problems relating to the lack of accountability and transparency — had been on the Committee's agenda for many years, General Assembly resolutions 61/261 and 62/228 defined the key features of a new administration of justice system and provided a clear road map for its development. The Group, regretting the numerous delays and the many tasks still outstanding, renewed its commitment to work hard to achieve the implementation of the new system in January 2009, although it noted the comment of the Under-Secretary-General for Management that a start date of 1 January 2009 was no longer realistic. It remained deeply concerned that none of the new posts approved in December 2007 had been filled, especially the position of Executive Director of the new Office of Administration of Justice, which had been intended to facilitate and coordinate the establishment of the new system. Outstanding issues regarding the statutes of the Dispute and Appeals Tribunals and the appointment and renewal of the new judges would need to be finalized as a matter of priority if the new structure was to be implemented by the beginning of 2009.

42. Noting that the Internal Justice Council played an important role in recommending the judges on which the quality of the formal system depended, the Group of 77 and China believed that the final appointment of judges to the Tribunals should remain a prerogative of the General Assembly. The Group endorsed the Secretary-General's proposals for the compensation of judges, as set out in his report on administration of justice at the United Nations (A/63/314), considering that attractive remuneration was needed to recruit highly qualified legal practitioners.

43. With regard to transitional arrangements, it was clearly important to agree on temporary measures that would allow for a smooth transition from one system to the other, without placing an excessive burden on the new structures. In particular, the Group supported the Advisory Committee's recommendation to approve the Secretary-General's proposal to strengthen the United Nations Dispute Tribunal by adding three ad litem judges for a 12-month period following the Tribunal's establishment, with a view to clearing the backlog.

44. Noting the Advisory Committee's concern about the delegation of authority, as well as the fact that the administrative instruction on the disciplinary process could not be finalized until the General Assembly had taken a decision on the policy regarding limited delegation of authority, the Group concurred with the Advisory Committee on the need for effective monitoring and adequate guidance on the delegation of authority for disciplinary cases; clear consequences for any failure to duly exercise such delegated authority; and clearly defined lines of accountability. The issue must therefore be discussed without further delay, in order to gain a better understanding of the proposals to replace the Joint Disciplinary Committees with the United Nations Dispute Tribunal, pursuant to General Assembly resolution 61/261.

45. The Group believed that a well-resourced formal system of justice was vital. It had endorsed the General Assembly's approval of the cost-sharing arrangement proposed by the Secretary-General in his report on the administration of justice (A/62/294), which was based on the headcount in the Secretariat and the funds and programmes. Noting the differences of opinion with the funds and programmes in that regard, it expected the Secretary-General to exercise his leadership to conclude negotiations expeditiously and reach an agreement with the funds and programmes based on headcount, as originally envisaged.

46. It also supported reinforcing the informal system so as to avoid overburdening the formal system. It therefore believed that a strengthened Office of the Ombudsman and the new Mediation Division were key elements of the new internal justice system, which should facilitate the early resolution of conflicts in the United Nations. A structured, strong and decentralized Mediation Division, managed by professionally qualified personnel, would exercise a core function of the system that would help solve most problems in a cost-efficient and timely manner. The Group therefore urged the Office of the Ombudsman to complete the process as a matter of priority and issue its own terms of reference as soon as possible.

47. Noting the Secretary-General's proposed revisions to regulations 10.1 and 11.1 of the Staff Regulations, which would come into effect simultaneously with the implementation of the new system, the Group concurred with the Advisory Committee that the proposed amendments were contingent upon the adoption of the statutes of the Tribunals and/or the procedures for dealing with disciplinary cases.

48. With regard to the Secretary-General's proposal regarding the use of information and communication technology to improve the functioning of the administration of justice system, it was essential for the new system to protect the confidentiality of the parties involved in ongoing cases and to provide appropriate safeguards to address the issue of leaks. In that connection, it was especially important to protect the reputation of staff members, in particular those subsequently found to have been wrongly accused.

49. The Group maintained its position that the new internal justice system should be inclusive and non-discriminatory and that the issue fell within the purview of the Fifth Committee. Staff legal assistance was another matter of the utmost importance; in that regard, the new Office of Staff Legal Assistance should provide legal advice and representation in the same manner as its predecessor, the Panel of Counsel.

50. The Group was extremely concerned by the Advisory Committee's suggestion that the new system of administration of justice might not be ready for implementation in January 2009. Noting the optimism of the Under-Secretary-General for Management that the process would soon be completed, it reiterated its commitment to establish a fully functional and effective internal justice system as soon as possible, in the interest of ensuring due process for and just treatment of staff and increasing accountability and transparency in decision-making.

51. **Mr. Sutter** (France), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and in addition, Armenia, the Republic of Moldova and Ukraine, said that the European Union

deeply regretted the late start of the Committee's discussions on the introduction of a new system of administration of justice, which had been presented as a priority. The Sixth Committee had revised its programme of work on that basis and had discussed the statutes of the Tribunals in the first three weeks of the session, so as to enable the Fifth Committee to conclude its work as early as possible.

52. The European Union continued to give high priority to the reform of the administration of justice system, which was of crucial importance to the Organization and its staff. The United Nations, which played a decisive role in developing international standards in the areas of human rights and the rule of law, must have a justice system worthy of the name. The new system, which was largely defined by the provisions of General Assembly resolution 62/228, must provide for the rapid, effective and fair administration of justice, and to that end it should be independent, transparent, professionalized, adequately resourced and decentralized. It must also comply with international law and the principles of the rule of law and a fair trial, including the right to an effective remedy, equal access to justice and the right to be heard.

53. It was also important to strike a balance between the formal and informal systems of justice. The formal system's effectiveness would largely depend on the guarantees provided regarding access to justice, equality of arms and the adequacy of remedies, on the one hand, and the legal expertise, experience and independence of the judges appointed to the two Tribunals, on the other.

54. The European Union, welcoming the progress made by the Sixth Committee in discussing and drafting the Tribunal statutes, called for the Fifth Committee to reach a decision on the issues still outstanding so that the statutes could finally be adopted. Concerning the scope of the new Tribunals, the European Union reiterated the two-step approach it had proposed in the Sixth Committee. Discussion should initially focus on the creation of a new internal justice system that would at least cover those with access to the current system, while at a later stage the United Nations, as an exemplary employer, should seek to ensure that effective remedies were available to all other categories of United Nations personnel and consider what types of recourse were most appropriate to that end.

55. Sound transitional measures, with the necessary respect for budget discipline, must be established in order to ensure a smooth transition from the current Administrative Tribunal to the new Tribunals and to inspire confidence in the new system from its inception. As underscored in the Advisory Committee's report (A/63/545), every effort must therefore be made to complete the preparatory work needed to implement the new system of administration of justice. Noting that the Secretary-General's proposals regarding limited delegation of authority did not fully respond to the General Assembly's request in resolution 62/228, as pointed out by the Advisory Committee, he stressed that the Secretariat needed to provide the Committee with full information in order to accelerate the decision-making process.

56. Aware of the historical importance to the United Nations of its new administration of justice system, which would allow it to fulfil its mandates as effectively as possible while also respecting the rights of its staff, the European Union remained determined to achieve the implementation of the new system as of 1 January 2009. It believed that such a goal was in the common interest and trusted that it was shared by all delegations.

57. **Mr. Stone** (Australia), speaking also on behalf of Canada and New Zealand, said that the United Nations should lead by example. Its staff members deserved a fair and efficient system of internal justice consistent with international law and the principles of the rule of law and due process. Such a system also underpinned all efforts to strengthen accountability, oversight and human resources management at the United Nations.

58. The three delegations had strongly supported fundamental reform of the current system and welcomed the General Assembly's decision, in its resolution 61/261, to establish a new, independent, transparent and professionalized system of administration of justice, drawing on the Redesign Panel recommendations.

59. With the deadline fast approaching, the structure and implementation details of the new system needed to be finalized. In particular, the draft statutes of the Dispute and Appeals Tribunals, which had already been largely agreed to by the Sixth Committee, must be adopted in the current session. Ensuring access to justice was particularly important in view of the intertwined issues of the award of costs and the

provision of staff legal assistance. Transitional arrangements and associated costs also needed to be finalized. Despite the challenging nature of those issues, a functional system of internal justice should be implemented at the United Nations either by 1 January 2009 or as soon as possible afterwards.

60. **Mr. Ruiz Massieu** (Mexico), speaking on behalf of the Rio Group, said that the administration of justice at the United Nations was an issue of vital importance for the career development of the Organization's staff and the protection of their rights as United Nations employees, as well as for accountability. It was therefore essential that the new system should begin to operate in January 2009, as decided by the General Assembly in resolution 61/261 and reiterated in resolution 62/228. The Group regretted that preparations for the new system's implementation were behind schedule and that the new posts approved, including the 30 posts authorized for the Office of Administration of Justice, had not yet been filled; delays had also occurred in such areas as the development of procedures for the transition phase, a code of conduct for legal practitioners, terms of reference for the registries and a training and communication plan for the new internal justice system. Nonetheless, the Organization should not wait until the system was perfect before putting it in place, since it would clearly evolve during the implementation stage. A good start would be to reach a decision on the articles of the statutes relating to financial matters and on provisions relating to staff contracts and conditions of service. It was also urgent to appoint the Executive Director of the Office of Administration of Justice.

61. Considering the staff of the United Nations to be the Organization's most valuable asset, the Rio Group had consistently endorsed measures to protect employees' basic rights in accordance with internationally accepted standards and would continue to support efforts to make the United Nations an exemplary employer able to attract and retain the best possible workforce.

62. On the issue of disciplinary measures, the Rio Group would like to know the reasons for the increase in the number of disciplinary cases and for the variations in the time required to complete them, which was of particular concern given that the Secretary-General's report (A/63/314) was devoted largely to proposals for dealing with such cases. In that connection, it concurred with the Advisory Committee on the need to address the backlog of disciplinary cases as a matter of urgency, using available resources as efficiently as possible.

63. With regard to the General Assembly's request in resolution 62/228 for the Secretary-General to provide a detailed proposal regarding possible options for delegation of authority for disciplinary measures, including full delegation, as well as an assessment of possible implications for due process rights of staff members, the Rio Group concurred with the Advisory Committee that the Secretary-General's report (A/63/314) did not assess the possible implications for staff members' due process rights and that other options for managing disciplinary cases should also be explored, with full costing, so that more serious pending cases could be dealt with more expeditiously.

64. Limited delegation of authority would not improve the administration of justice if it did not entail an effective mechanism for investigating cases and determining the application of disciplinary measures. For that reason, the Rio Group had repeatedly stressed that the establishment of sanctions at all levels of the Organization was essential to maintain a transparent and efficient system of justice and accountability.

65. The Rio Group concurred with the Advisory Committee that the strengthened Office of the Ombudsman and the new Mediation Division were key elements of the new internal justice system for facilitating the early resolution of conflicts in the United Nations; it also agreed that the report on the activities of the Ombudsman should serve as a useful information resource as the new internal justice system was put into place and should allow an assessment of the impact and effectiveness of the new methods of work. Lastly, it was vital to implement transitional measures and to analyse the extent to which pending cases could be smoothly transferred so as to provide appropriate follow-up without jeopardizing due process.

66. **Mr. Gubler** (Switzerland), speaking also on behalf of Liechtenstein, said that his country, as a Member State and a host country of the United Nations, attached particular importance to the reform of the administration of justice and was therefore in full agreement with the aim of implementing a new administration of justice system by 1 January 2009, as

established in the relevant General Assembly resolutions.

67. Noting the serious delays in the preparatory work related to the implementation of the new system, as described in the Advisory Committee's report (A/63/545), he expressed particular surprise that none of the 30 posts authorized for the Office of Administration of Justice had been filled, even though the General Assembly had asked the Secretary-General to ensure that the three posts authorized for the Office of the Executive Director were filled no later than 1 July 2008. The lack of staff and leadership in the Office of Administration of Justice had also led to delays in other important areas, particularly in relation to the Office of the Ombudsman and cost-sharing arrangements with the funds and programmes. While regretting those delays, he believed that it would not be advisable to defer implementation of the new system beyond 1 January 2009, given the pressing need for such reform.

68. The Sixth Committee had made considerable progress in drafting the statutes of the United Nations Dispute and Appeals Tribunals and was to be commended for its work; in order to maintain the momentum, the Fifth Committee must now finalize the statutes and resolve all other outstanding issues in the coming weeks.

69. Particular attention should be given to matters relating to the scope of the new system and transitional measures. Switzerland still believed that the reform of the administration of justice should allow all persons, whatever their contractual relationship with the United Nations and wherever they performed their duties, to present their case in the event of a dispute and to enjoy the right to a fair trial, where appropriate. Since, owing to time constraints, it might be difficult to fully resolve that question before 1 January 2009, Switzerland would not object to the issue's being considered in depth by the Ad Hoc Committee on the Administration of Justice at the United Nations in the spring of 2009. However, all categories of staff must have access to basic remedies, such as the informal system and the management evaluation, as of 1 January 2009. Switzerland and Liechtenstein were ready to make an active and constructive contribution to the Committee's discussions in order to achieve an acceptable compromise between resource constraints and the requirements of the new administration of justice system.

70. **Mr. Dhanaraju** (India) said that the new system of internal justice established by General Assembly resolution 61/261 was expected to improve accountability and have a positive impact on human resources management in the Secretariat. The implementation of the new system, which had been due to become operational on 1 January 2009, was behind schedule. His delegation called on the Secretary-General to expedite the completion of the preparatory work, including the filling of all vacant posts required for the implementation of the new system, and to update the timeline for its execution, pending approval by the General Assembly of the statutes of the Tribunals and the transitional measures. Given the increase in the number of disciplinary cases, all necessary steps should be taken to ensure that the backlog of cases from the old system did not overwhelm the new system at the outset. In that connection, his delegation supported the proposed transitional measures and the Advisory Committee's recommendations on the allocation of resources to finance the three ad litem judges and nine Registry staff for a 12-month period to deal with the backlog of cases.

71. Referring to the Secretary-General's proposal to delegate authority on a limited basis for disciplinary matters to heads of offices away from Headquarters and to heads of field missions, he said that in order to ensure consistency in disciplinary measures away from Headquarters, further work was required on training and the issuance of administrative instructions, guidelines, manuals and standard operating procedures.

72. The Advisory Committee had noted that the Secretary-General's proposals on the delegation of authority did not fully respond to the General Assembly's request for a report containing a detailed proposal on possible options for delegation of authority, including an assessment of possible implications for the due process rights of staff members. Before taking a final decision, the Committee must carefully examine all the unresolved issues relating to the delegation of authority for disciplinary measures.

73. His delegation urged the Secretary-General to expedite the early conclusion of cost-sharing agreements with the funds and programmes and noted that the General Assembly had approved the cost-sharing arrangement for the new system of administration of justice on the basis of headcount

rather than on the basis of actual cases disposed of, as proposed by the funds and programmes.

74. He welcomed the use of information and communication technology to improve the system for the administration of justice, including the e-filing of submissions, but drew attention in that connection to the need to ensure strict confidentiality in the interests of both the Organization and staff members.

75. In view of the critical role that the Office of the Ombudsman played in the new system, in particular by providing an informal mechanism for dispute settlement, his delegation called for expedited procedures to fill all the approved posts in the Office and in the new Mediation Division. The reports of the Office of the Ombudsman gave valuable insights into human resources management issues, including identification of a number of areas of systemic malfunction. His delegation hoped that all outstanding issues would be resolved in the coming weeks so that by January 2009 the Organization would have a fully functional system of justice, as approved by the General Assembly.

76. **Mr. Scanlon** (United States of America) said that General Assembly resolution 62/228, which outlined the first comprehensive overhaul of an internal justice system that had been in place for over 50 years, was only a first step; the Fifth Committee had many additional important decisions to take in that connection. Both the Fifth and the Sixth Committees had considered numerous divergent positions of Member States and the Secretariat, and the Sixth Committee had managed to achieve consensus on most of the outstanding issues relating to the statutes of two new Tribunals. The Fifth Committee would be called upon to address a number of outstanding issues in that connection, as well as several issues relating to the implementation of the new system.

77. He complimented the Secretariat on what it had accomplished thus far in improving both the formal and the informal systems of internal justice. The informal system had been significantly enhanced with the expansion of the Office of the Ombudsman and the creation of a Mediation Division within that Office. He noted, however, that the Advisory Committee had drawn attention to delays in filling a number of important posts authorized by resolution 62/228 and had called for clarification of the respective roles of the Office of the Ombudsman and the Ethics Office.

78. The Office of the Ombudsman played a critical role in ensuring the success of the internal justice system and in encouraging staff members to make full use of the informal system in resolving disputes. The new Mediation Division was a key element of the informal system; all parties, including the Organization, benefited when a dispute could be resolved without recourse to formal proceedings.

79. One outstanding issue was that of compensation: his Government favoured a cautious approach in the first instance and supported the continuation of the long-standing policy of imposing a cap on the award of damages. Proposals to remove the cap and to allow the award of interest and costs might expose the Organization to unlimited financial liability. Those issues could be revisited by the Member States after the Organization had acquired experience under the new system.

80. With respect to the issue of scope, his Government believed that trying to accommodate all interests, particularly at an early stage, was likely to overload the system. It was important to ensure that the new internal justice system represented an improvement over the existing system. The new system should continue to be limited to staff and should not be expanded to cover non-staff personnel, who should be offered other options for the settlement of their grievances.

81. While approving the evolution of the Panel of Counsel into the Office of Staff Legal Assistance as a significant and necessary improvement, his delegation considered that the staff of the Office should not be involved in the direct legal representation of staff members before the Tribunals. His delegation's position was in line with that of the Advisory Committee, as stated in its report (A/63/545), which called for measures to facilitate voluntary staff participation in the provision of legal assistance.

82. In order to succeed, the new system must be unencumbered by a backlog of cases from the old system. As the two systems were dissimilar, any cases that had already progressed to the Joint Appeals Board or the Joint Disciplinary Committee by 31 December 2008 should be processed under the current system and not transferred to the new one.

83. In conclusion, while his delegation supported in principle the Secretary-General's proposals on limited delegation of authority for disciplinary measures, in the

interest of truly decentralizing the system, it nonetheless had some concerns and wished to discuss the issue further.

84. **Mr. Torres Lépori** (Argentina) recalled that General Assembly resolution 61/261 had called for the new system of justice to be operational by 1 January 2009 and that resolution 62/228 had set other deadlines for a variety of internal structures that were to have come into operation during 2008. Despite the delay in implementing the new system, his delegation felt that it was still possible to meet the January deadline; what was required was the political will to arrive at consensus solutions.

85. Perhaps the most worrying aspect of the delay was the fact that the Executive Director of the Office of Administration of Justice had still not been appointed even though resolution 62/228 had requested the Secretary-General to ensure that the position was filled no later than 1 July 2008. His delegation believed that the process of introducing the new system had suffered because of the resulting lack of leadership.

86. On the other hand, the Internal Justice Council had already considered a large number of candidates for appointment as judges of the United Nations Dispute Tribunal and the United Nations Appeals Tribunal. He hoped that the General Assembly would be able to take action without delay on filling those posts. The finalization of the statutes of the Tribunals would also help bring the process back into conformity with its original timetable.

87. The Member States, which had originally requested the reform proposals and had set the timetable for their implementation, had a fundamental obligation to ensure that the new system went into operation in January 2009. Over the next few weeks the Committee should take the decisions that would set up a modern, efficient, independent and decentralized system for the administration of justice, with emphasis on the informal settlement of disputes.

88. **Mr. Kishimoto** (Japan) said that his delegation attached importance to the reform of the internal justice system, which would have a positive impact on staff-management relations and improve the performance of both staff and management. The Member States had agreed that emphasis should be placed on the informal system for resolving disputes and had allocated the corresponding resources, in particular for the efficient functioning of the Office of the Ombudsman and of informal mediation. It would be very regrettable if those resources were not used in 2008.

89. The formal two-tier system should be as efficient as possible and should be open to the same categories of personnel as the old system. In the light of experience, the scope of the system might subsequently be broadened to include non-staff personnel.

90. Even though positions in the Office of Administration of Justice had not been filled by the deadline of 1 July 2008 set by the General Assembly, Member States and the Secretariat should do their utmost to bring the new system into operation on time. Regarding transitional measures, his delegation took the view that, as the existing backlog of cases could not be cleared before the new system went into operation, consideration should be given to the idea of continuing to use the current system to dispose of all pending cases. As part of that solution, the payment of honorariums should be considered.

91. His delegation agreed with the Advisory Committee that the necessary guidelines, procedures and safeguards should be established for the delegation of authority for disciplinary matters. Any arbitrary or inconsistent use of delegated authority would do great damage to staff-management relations.

92. On the subject of legal services for the staff, he said that measures to strengthen the work of the Office of Staff Legal Assistance should be devised at a later stage, in the light of experience. For the moment, however, the Secretary-General should work to establish the staff-funded scheme which the General Assembly had repeatedly requested.

93. A cost-sharing methodology based on headcount had been approved by the General Assembly, which had requested the Secretary-General to conclude an agreement with the relevant funds and programmes by July 2008. It was regrettable that insufficient progress had been made on that matter, which his delegation considered a prerequisite for putting the new system of administration of justice into operation.

94. **Mr. Chumakov** (Russian Federation) said that his delegation supported efforts to improve the administration of justice in the United Nations, as an important contribution to strengthening the rule of law. The reform included measures to facilitate the informal settlement of disputes and to replace the United

Nations Administrative Tribunal with two new bodies, the United Nations Dispute Tribunal and United Nations Appeals Tribunal. However, those formal changes were insufficient; what was necessary was a qualitative reform of the mechanism for resolving labour disputes.

95. The draft statutes for the two new Tribunals had been approved in the Sixth Committee, but some fundamental questions had remained unresolved and required the consideration of the Fifth Committee. Those matters included the limits of the jurisdiction of the two new Tribunals and the range of individuals who would have access to them. That led to the question of transitional measures, which should provide for the uninterrupted and effective consideration of cases without entailing excessive costs. Any steps in that area should be carefully assessed in terms of their possible long-term consequences for the Organization. Lastly, considering that the new system was to have been operational with effect from 1 January 2009, efforts should be made to adhere to that time frame, though without comprising the quality of the decisions that were to be taken in that connection.

Other matters

96. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the Group was concerned about the long delays in the construction project at the United Nations Office at Nairobi that had resulted from bad decision-making, poor management and non-adherence to the chain of command. The Committee had been considering the issue for seven years and had consistently rubber-stamped the project despite the presence of serious violations and anomalies.

97. The Group was also concerned about the way in which the informal consultations on the issue had been conducted a few days earlier. In particular, the presentation of the Group's questions had been mediocre at best, if not incorrect or false. The Secretariat seemed to believe that there had been some lapse in the memory of the Group's members. What they had heard from the Director-General of the United Nations Office at Nairobi seemed to conflict with what had been presented by the Secretariat.

98. The onus was on the Secretariat to capture most of the information in the informal consultations. At a minimum, it should transmit correct information. The issue of the Nairobi construction project appeared to be deemed less important than others. Unless such matters could be captured in informal consultations, he would insist on a formal meeting to ensure that statements were accurately recorded.

99. **Ms. Pataca** (Angola), speaking on behalf of the Group of African States, said that the Group was concerned about the apparent lack of commitment and accountability in executing the construction project in Nairobi, as had been demonstrated by the inadequate and inconsistent answers provided to Member States on the issue. Adherence to the chain of command in the Secretariat was crucial: there was a need for senior management involvement in the execution of the project, including proper monitoring.

100. On a related matter, she pointed out that the Fifth Committee secretariat was responsible for keeping an accurate record of the Committee's deliberations, including in informal consultations, and for providing technical guidance and facilitating follow-up of responses to questions raised by Member States. She therefore regretted the recent incident in which the secretariat had informed Member States that the Committee had inaccurately understood and recollected remarks by the Director-General of the United Nations Office at Nairobi. The matter should be considered in a formal meeting for the sake of transparency, record-keeping and progress; the Group was no longer prepared to discuss it at the informal level.

101. **Mr. Olago Owuor** (Kenya) said that the Nairobi project had been approved in 2001, yet no construction had been done to date. He wondered how the related loan could already have been repaid in full when that was the case, and asked whether the project had been unsupervised. There must be a clear chain of command in the United Nations Office at Nairobi so that the project could proceed as recommended by the Fifth Committee. Moreover, the project must be monitored and reported on at Headquarters. He called for sincerity from the Secretariat in responding to questions from Member States. In particular, the Fifth Committee secretariat had claimed to have no record of certain points that had been made, inter alia, by the Director-General of the United Nations Office at Nairobi. All issues must be discussed fully, so that the project could be fully implemented.

102. **Mr. Brant** (Brazil) said that the matter under discussion was just one example of the lack of accountability and transparency in the Organization. To make informed decisions, Member States must be presented with clear facts. The Secretariat must be clear about what was needed to fulfil mandates. Further, it must be impartial and must not pre-empt the views or decisions of Member States. He joined in the request to discuss the matter in a formal meeting.

103. **Mr. Cumberbatch Miguen** (Cuba) said that his delegation regretted having to resort to a formal meeting to discuss the issue of the construction project in Nairobi. Member States had been receiving contradictory information and some Secretariat officials had been correcting information that had been provided earlier. Similar problems had arisen in relation to other issues as well. Unfortunately, it was necessary to discuss the construction in Nairobi in a formal meeting in order to ensure that the Committee's deliberations were properly recorded.

104. **Mr. Tawana** (South Africa) said that his delegation had been appalled by what had happened in the informal consultations on the construction project in Nairobi. Questions had been posed following the briefing by the Director-General of the United Nations Office at Nairobi, all of which had been consistent with her statements. Later, the Committee had been given a contradictory account of those statements.

105. He wondered what the organizing premise was with regard to construction projects, particularly in Africa. One excuse after another had been given for the delays in the Nairobi project, but there had been no progress. In addition, the original cost estimate of some $5 million had increased to $25 million. He had posed a clear question about whether a project team was in place, whether it was competent to perform the task at hand and who had established the team. It was unacceptable for Member States to be told that their recollection was deficient and inaccurate. He wondered whether that had occurred because the truth on the ground was too difficult to face. He also wished to know whether the Office of Internal Oversight Services had conducted an audit of the project in the previous seven years.

106. He fully supported the proposal to discuss the item in a formal meeting, because he had lost confidence in the informal consultations. The construction projects in Nairobi and Addis Ababa must be treated equally and fairly, and accountability was needed.

107. **Ms. Molemele** (Botswana) expressed concern about the delays in the Nairobi construction project and requested information on accountability and the lines of reporting on the project. It was her understanding that the Fifth Committee secretariat was responsible for preserving institutional memory, yet the Committee had been told that information from the informal consultations could not be provided. She asked for clarification in a formal meeting, as her delegation had lost faith that the matter could be adequately dealt with informally.

108. **Mr. Dodo** (Nigeria) said that he was disappointed with the handling of the matter in Nairobi. The project had been under way for seven years, yet it had taken over three weeks to answer the questions that had been raised. Those responding had brought written answers that were inconsistent with what had actually been asked. He called for the Secretariat to answer questions correctly and for the matter to be taken up in a formal meeting.

109. **Mr. Sene** (Senegal) said that he was deeply concerned by the delays in implementing the construction project in Nairobi and by the opaque way in which the Secretariat had been dealing with the issue. He joined others in calling for the issue to be taken up in a formal meeting.

110. **Ms. Kane** (Under-Secretary-General for Management), responding to the concerns raised, said that the Secretary-General's bulletin (ST/SGB/2008/7) clearly defined the responsibilities of the Director-General of the United Nations Office at Nairobi. That official was accountable to the Secretary-General and was responsible for all activities in Nairobi, including facilities management. The Director-General was responsible for the implementation of the construction project, and the Chief of Administrative Services had been delegated full financial and procurement authority to complete both the modernization and the new office facilities projects.

111. As for the difficulties and cost escalation that had beset the construction project, the Committee was aware that there had been problems with the initial architect. Changes had also been made to the original design and security features had been added, resulting in the increased cost estimate. The previous Director-General had started the project and the current one had

taken over. All were in agreement on the need to move forward. The level of staffing would be evaluated as the project progressed. Dedicated resources and all the necessary management structures were in place. The role of Headquarters was to provide overall guidance and advice, disseminate policy and define common approaches for efficient management. It was impossible, however, for Headquarters to be totally responsible for the project's execution.

112. She was concerned by the perception that projects on different continents were treated differently. Among other things, it was important to recall that the United Nations actually owned the facilities in Nairobi and Addis Ababa, while the complex in Vienna, for example, was owned by the host Government.

113. The Fifth Committee secretariat was extremely small but very able. Its services had been rated "above satisfactory" by a high percentage of Member States in the latest survey. It was impossible, however, to keep a verbatim record of informal consultations. Questions were carefully written down and Secretariat officials faithfully tried to answer them as quickly as possible. In the previous six weeks, the Secretariat had provided 1,357 pages of responses in the interests of transparency and of meeting the Member States' concerns.

114. **Mr. Abelian** (Secretary of the Committee) explained that every question from Member States was noted down and followed up with the relevant substantive departments. However, it was not possible for one person to record every word of the informal consultations. In formal meetings, a number of people were responsible for preparing the summary records and press releases. In addition, formal meetings were recorded in digital audio files, while informal consultations were not. His staff also took note of statements made by Secretariat officials at the informal briefings, but could not keep a record of each one. The secretariat did its utmost to facilitate the Committee's work.

115. **Mr. Tawana** (South Africa), in a follow-up question, again asked whether the Office of Internal Oversight Services had been requested to look into the project, and with what result. While he did not expect the Committee secretariat to take down every word of the informal consultations, he wondered why it had accurately captured the Committee's questions but not the comments made by the project team. Lastly, he asked whether the Under-Secretary-General for Management could state categorically that progress would be made on the project within the following six months.

116. **Ms. Kane** (Under-Secretary-General for Management) said that she was unaware of any audit conducted by the Office of Internal Oversight Services, but that other external and internal audits of all Secretariat activities were always ongoing.

117. **Mr. Adlerstein** (Assistant Secretary-General for the Capital Master Plan), responding to the question regarding the status of the construction project, said that progress had indeed been made in the previous seven years. Organization of the initial preparations and funding had taken until 2004, at which time the architects had been selected. Their work had proved unacceptable, and new architects had been selected in early 2007. Since preparation of the design and construction documents constituted half the work of any project, the fact that the construction documents were ready represented significant progress. All that remained for construction to begin was for the Committee to approve funding.

The meeting rose at 12.50 p.m.

United Nations A/C.5/63/SR.20

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Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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The meeting was called to order at 10.15 a.m.

Agenda item 126: United Nations pension system
(A/63/9, A/63/363 and A/63/556; A/C.5/63/2)

1. **Mr. Pozenel** (Chairman of the United Nations Joint Staff Pension Board), introducing the report of the United Nations Joint Staff Pension Board (A/63/9), said that the report provided information on the global operations of the United Nations Joint Staff Pension Fund for its 22 member organizations and more than 160,000 participants. He drew the Committee's attention to chapter II of the report, which contained an overview of the Board's recommendations and decisions.

2. For the sixth consecutive time, the actuarial valuation of the Fund, as at 31 December 2007, had revealed a surplus, in that the contribution rate to the Fund exceeded the amount of contributions required to meet its present and long-term obligations to its participants and beneficiaries. For the current valuation, the surplus was 0.49 per cent of pensionable remuneration. In accordance with the reporting methodology mandated by the General Assembly, the Fund's consulting actuary and its Committee of Actuaries were of the opinion that the present contribution rate was sufficient to meet long-term liabilities under the pension plan and that there was no requirement, as at 31 December 2007, for deficiency payments under article 26 of the Fund's Regulations.

3. That surplus was all the more notable because in 2007 the Board had adopted new mortality tables, as recommended by the Fund's actuaries, reflecting improved longevity rates for its participants. Thus, even though the Fund's participants and beneficiaries were expected to live longer, the Fund remained in an actuarially sound position to fund the increased costs of its obligations to them. With effect from 1 January 2009, the commutation, transfer values and other actuarial factors, such as those relating to survivor benefits, would be modified to reflect the new mortality tables.

4. The Board had reviewed the actual emerging costs or savings of modifications to the two-track feature of the pension adjustment system and had decided that no changes were necessary for the time being, but that they should continue to be considered in conjunction with the actuarial valuations. The Fund's secretariat would monitor trends in costs/savings and report to the Board.

5. The annualized nominal rate of return on the Fund's investments over the 48-year period ending 31 March 2008 was 8.8 per cent. Adjusted for inflation, that represented an annual, long-term, real rate of return of 4.4 per cent over the same period, which exceeded the Fund's long-term actuarial objective of a real rate of return of 3.5 per cent.

6. Particularly in the current uncertain economic times, market conditions might result in higher or lower rates of return in the short term. Nevertheless, as the Representative of the Secretary-General for the Investments of the Fund had made clear, the Fund's investment objectives and strategies were geared for the long term. The long-term performance of its investments continued to exceed the actuarial assumptions concerning the real rate of return on assets required by the Fund in order to meet its obligations to participants and beneficiaries. Even in the short term, the Fund's diverse portfolio had sheltered its returns from swings in the capital markets, and the Fund had continued to meet or exceed its key performance benchmarks.

7. Because diversification of the Board's portfolio was a key to continuing its successful investment performance, the Investment Management Service had informed the Board about options for expanding the Fund's investments in alternative investment classes. The Board had suggested that continued diversification should be done judiciously and incrementally, taking into account cost implications, and in regular consultation with the Investments Committee, and had also requested sufficient in-house expertise and outside investment support to effectively implement and manage such a portfolio.

8. The Board recalled that the General Assembly had consistently reaffirmed the role of the Secretary-General under the Fund's Regulations as fiduciary for the Fund's assets and that the principles guiding the exercise of that fiduciary responsibility were the safety, profitability, convertibility and liquidity of its investments. Having the primacy of those principles in mind, the Board had welcomed the efforts by the Representative of the Secretary-General, the Investments Committee and the Investment Management Service to develop and apply the Principles for Responsible Investment, including those

in keeping with the Secretary-General's initiatives under the Global Compact.

9. The Board recommended to the General Assembly that the Investment Management Service should be given borrowing authority for the limited purpose of including provisions in its custody agreements for the "contractual" versus the "actual" settlement of securities transactions. Although contractual settlement of such transactions was standard practice in developed securities markets, it involved an element of borrowing until the transaction was finally settled. The Office of Legal Affairs had advised that such borrowing could not be undertaken under the Charter and the Financial Regulations and Rules without the General Assembly's approval. Accordingly, the Board recommended that the General Assembly should specifically grant approval to the Fund to enable, as warranted, the Fund's custodian to engage in contractual settlement of securities transactions.

10. Turning to administrative matters, he said that the Board welcomed the ongoing efforts by the Representative of the Secretary-General for the investments of the Fund and the Chief Executive Officer of the Fund to review and refine their memorandum of understanding, with a view to strengthening their coordination and consultation, in particular with regard to financial management and asset-liability management. It had noted that information technology consolidation, for which resources had already been approved, would be a priority among the items being addressed in the revised memorandum.

11. Chapter VI of the report contained detailed information on the Fund's operations and financial position during the biennium 2006-2007; detailed statistics were set out in annex VII. The financial statements, including the opinion of the auditors on those statements, appeared in annex VIII. In the biennium that had ended on 31 December 2007, the number of participants had increased by 13.8 per cent to 106,566, following an increase of 9.9 per cent during the previous biennium. Benefits-in-award had increased by 5.3 per cent to 58,084, after an increase of 5.0 per cent during the previous biennium. The principal of the Fund had increased from $23.6 billion to $30.6 billion, while total investment income had increased 63.6 per cent to $7.2 billion from $4.4 billion. The contribution income of the Fund had increased some 20 per cent to $3.1 billion from $2.6 billion, while benefit payments had increased 17.8 per cent to $3.2 billion from $2.7 billion, primarily because of an increase in the number of beneficiaries. Expenditures during the biennium 2006-2007 of $3.3 billion for benefits plus administrative and investment costs had exceeded total contribution income by $153 million.

12. The Board had approved the Chief Executive Officer's plan for implementing an integrated pension administration system. In the context of the budget proposal for the biennium 2010-2011, he would present a comprehensive proposal to the Board in 2009 that would include expected costs for hardware, software, contractual services, including costs of systems integrators and external consultants, and other related costs. The Representative of the Secretary-General had been requested to provide information on the functional model that the Investment Management Service might propose for staffing and operations, including a review of the scope of activities and the responsibilities of the internal investment managers and the external investment advisers and asset managers, and to present any financial implications with the Fund's budget proposals for the biennium 2010-2011. Similarly, the Chief Executive Officer had been requested to include, in the budget for the upcoming biennium, fully justified and comprehensive proposals for any additional resources relating to best practices in a public-sector defined-benefit plan, possible organizational changes in the Fund's structure and enhanced performance management.

13. Turning to the revised budget estimates for the biennium 2008-2009, he invited the Committee to approve the Board's recommendation for the allocation of additional resources in the amount of $2.2 million, for a total appropriation of $153.2 million. Of that amount, $134.3 million would be chargeable to the principal of the Fund, and the remaining $18.8 million would be borne by the United Nations under the cost-sharing arrangement. The Board had requested the Fund's Chief Executive Officer to present an interim performance report on the 2008-2009 budget at its next session.

14. The Committee was also invited to approve the Board's recommendation for $271,100 in funding to meet the estimated expenses of a working group that the Board had agreed to establish to consider proposals concerning the Fund's overall design. The working

group was expected to submit its report to the Board in 2010.

15. The Board had considered the Fund's third management charter and had welcomed its focus on a more strategic approach to performance issues. However, it had also requested the Fund to continue improving its reporting through a more focused, results-based budgeting and management approach, including by setting out strategic objectives, expected results, key performance indicators and programme evaluation techniques.

16. The Board had approved the extension of the current contract with the consulting actuary to 31 December 2010. Noting the length of the Fund's relationship with the current consulting actuary, however, it had requested the Chief Executive Officer to undertake a formal bidding exercise for future contractual arrangements for a consulting actuary and to present the short-listed vendors for the Board's consideration in 2010.

17. With respect to auditing, the Board had approved all of the Audit Committee's recommendations, which were set out in chapter VII of the Board's report. The Board had also considered the report of the Board of Auditors, which was included as annex IX to the present report, and had noted its findings and recommendations.

18. On matters of governance, the Board had noted that, during their 2008 meetings, the Investments Committee, the Committee of Actuaries and the Audit Committee had all been presented with a declaration of conflict of interest, which referred to the mandate and focus of each committee and covered the status, conduct and accountability of the committee members. All three committees had agreed to their respective declarations for their members and the Board had formally approved those declarations.

19. The Board had recommended, and sought the approval of the General Assembly for, an amendment to the Regulations of the Fund allowing participants who returned to active contributory service after a period of disability to count such periods as contributory service without requiring the participant or the employer to pay contributions for that period. The relevant amendment to article 24 (b) of the Regulations of the Fund was contained in annex XIV to the report before the Committee, and the related change to the Administrative Rules of the Fund was contained in annex XV.

20. In 1998, the Board had recommended and the General Assembly had approved a 36-month time limit under article 21, on participation, and article 32, on deferment of payment or choice of benefit, of the Fund's Regulations. The Board had approved a technical change in order to align the time limits set out in the Fund's Administrative Rules and in its Regulations. The text of the amendment to Administrative Rule B.6 (b) was contained in annex XV to the present report.

21. Lastly, the Committee was invited to approve the Board's recommendation for an amendment to the Regulations of the Fund that would allow for the purchase of additional years of contributory service by part-time staff. The Board had made the decision in 2007, but had requested the actuaries to review the item. Based on the information provided by the actuaries, the Board recommended that the amendment should contain strict limitations. Moreover, it emphasized that its decision was not intended to set any precedent with regard to purchasing additional contributory service by other classes of participants, and that the decision was to be monitored in the light of experience. The change would apply only to participants who elected part-time employment as of 1 April 2009.

22. The Board had reviewed the remaining unimplemented recommendations in respect of the Fund's benefit provisions from 2002, concerning modifications to previous economy measures taken in the 1980s to address actuarial deficits faced by the Fund at that time. Recalling that the General Assembly had approved those recommendations in principle, but with implementation to begin when the actuarial valuation showed a clear upward pattern of surpluses, he said that in the light of the current actuarial valuation, no new benefit measures could be considered at present, but that the Board would keep the remaining recommendations as a priority on its agenda.

23. In 2008, the secretariat had prepared a review of the impact of currency fluctuations on pension benefits and variations in amounts due as a result of different separation dates. The Board had noted two important points concerning the impact on benefits for Professional staff: first, there had been wide variations

in local currency track benefits and, thus, in income replacement ratios, resulting from different dates of separation and different applicable exchange rates between 2002 and 2005. Second, the continued downward trend in local currency track amounts, although they had moderated substantially more recently, could reach a point at which action was required. The Board would closely monitor the situation and would review the matter in 2009. Variations in the local currency track pension amounts payable to General Service staff in the locations examined had remained within an acceptable range, and again, the Board would continue to monitor the situation.

24. In 2007, the Board had reaffirmed its decision to have the Fund determine entitlements to pension benefits, in particular spousal benefits, in accordance with the personal status of a participant as recognized and reported to the Fund by the participant's employing organization, with final verification of that status to be done by the Fund's secretariat at the time when benefits were awarded. The Board recommended approval of amendments to the Regulations of the Fund, as contained in annex XIV to the report, that would streamline the application of the relevant provisions governing family, or former family, members.

25. In 2006, the Board had recommended, and the General Assembly had approved, the elimination of the limitation on the right of restoration for existing and future participants based on the length of contributory service. The Board had subsequently clarified that revised article 24 (a) of the Fund's Regulations covered not only participants who had received a withdrawal settlement, but also those who, before 1 April 2007, had elected a deferred retirement benefit, whether full or partial, that was not yet in payment, and that former participants who had not made a benefit election, and who were therefore deemed to have elected the deferred benefit, were to be treated the same way as those who had made an election. The Board therefore requested approval for a technical amendment to article 24 of the Regulations as provided in annex XIV to its report.

26. The Board recommended the admission of the Special Tribunal for Lebanon to membership in the Joint Staff Pension Fund, effective 1 January 2009, provided the Secretary/Chief Executive Officer confirmed to the General Assembly that the Tribunal followed the United Nations common system of salaries and allowances and other conditions of service, as required under article 3 (b) of the Fund's Regulations.

27. With respect to the new system of administration of justice of the Organization, if substantive changes were made to the statute of the Appeals Tribunal or to other conditions under which that Tribunal would exercise jurisdiction over Joint Staff Pension Fund participants or other applicants, the matter could require negotiations with the Pension Fund member organizations and changes to its Regulations.

28. The proposed draft resolution on pension matters contained in annex XVII to the Board's report contained a summary of the matters requiring the attention and decisions of the General Assembly.

29. **The Chairman** drew attention to the report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund and steps and efforts undertaken to increase diversification (A/C.5/63/2) and the written statement on the report from the Representative of the Secretary-General for the Investments of the Fund.

30. **Mr. Thatchaichawalit** (Programme Planning and Budget Division), introducing the report of the Secretary-General on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/63/363), said that the report had been submitted in accordance with rule 153 of the rules of procedure of the General Assembly. The Board, in its report (A/63/9), had recommended revised budget estimates for the United Nations Joint Staff Pension Fund for the biennium 2008-2009 and, in that connection, had recommended a revised share of $18,848,000 to be borne by the United Nations. However, given the recent revisions to the post adjustment multiplier for New York and the General Service salary scale, which had been implemented after the preparation of the Board's report, no revisions were now proposed to the current share attributable to the United Nations, namely $18,998,600. Therefore, the current appropriation under section 1 of the programme budget for the biennium 2008-2009 would be maintained, and the actual expenditures would be reported in the context of the second performance report for the biennium 2008-2009.

31. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary

Questions), introducing the report of the Advisory Committee on the United Nations pension system (A/63/556), said that the Advisory Committee had primarily focused its comments and recommendations on those areas that required action by the General Assembly. In that context, the Advisory Committee recommended that the General Assembly should endorse all except two recommendations of the Board.

32. With regard to the investments of the Fund, there had been a significant downturn in financial markets worldwide after the adoption of the Board's report in July 2008. As a result, the market value of the Fund's assets had dropped from $41.7 billion as at 1 January 2008 to $29.4 billion as at 24 October 2008, a decline of 29.6 per cent. As the Board had continuously emphasized, the long-term solidity of the Fund was more important than short-term upward or downward movements in its market value. However, the Advisory Committee was fully aware that the current world financial situation was, perhaps, uncharted water for the Board, and it urged that, during the current period of extreme uncertainty, the four principles of safety, liquidity, convertibility and profitability should remain the Fund's paramount investment guidelines.

33. With regard to the possible allocation of up to 18 per cent of the Fund's assets to alternative asset classes, the Advisory Committee shared the Board's view that such investing should be done judiciously and incrementally, taking into account cost implications. Furthermore, the Advisory Committee took the view that investing in such alternative asset classes in the current volatile market should be done cautiously.

34. The Advisory Committee recommended against approval of the Board's recommendation of an amendment to the Regulations of the Fund that would allow for the purchase of additional years of contributory service by part-time staff, since that would constitute a violation of the long-standing and accepted principle of income replacement, which was embodied in the Fund and had been upheld by the General Assembly on numerous occasions. Furthermore, the proposed amendment would give some staff the option of participating either fully or partially in the Fund, whereas the Fund was based on the principle of full participation of all staff. Such an amendment could set a precedent. The General Assembly should remain mindful of the global integrity of the Fund and should avoid amending the Regulations merely in order to overcome issues that were of a limited scope or of a temporary nature.

35. With regard to the Board's recommendation that the General Assembly should approve the inclusion of contractual settlement provisions in the agreement with the Global Custodian of the Fund, which would mean granting borrowing authority to the Investment Management Service, the Advisory Committee noted that such borrowing could not be undertaken under the Charter and the Financial Regulations and Rules of the United Nations without the approval of the General Assembly. Given the absence of clear and compelling information on the conditions and terms of such authority, the Advisory Committee did not support the Board's recommendation at the current stage.

36. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that improvements in the United Nations pension system should be implemented in such a way as to ensure that retirement, death, disability and related benefits were provided to participants and retirees of the United Nations on the basis of full respect for the principles of transparency and accountability. The Group appreciated the positive developments in the management of the secretariat of the United Nations Joint Staff Pension Fund, as reflected in the report of the Pension Board, and supported the recommendations of the Advisory Committee on Administrative and Budgetary Questions.

37. The Group was pleased to note the actuarial surplus of 0.49 per cent of pensionable remuneration as at 31 December 2007 and the increase of $3.0 billion, or 7.9 per cent, in the market value of the Fund's assets between 31 March 2007 and 31 March 2008. However, noting that the market value of the assets had dropped 29.6 per cent since the beginning of 2008, he requested more information about the possible effects of that decline on the Fund, given that a large number of staff were expected to retire within the next four years.

38. The Group also appreciated the efforts made to pursue geographical diversification in the Fund's investments, but noted that, while the amount invested in a few developing countries had increased substantially, the figures for the Latin American and African regions were comparatively low. Investment in those regions could spur economic growth and job creation. Sound developing economies should be

targeted for investment so that they could serve as engines of growth.

39. Turning to the study regarding the introduction of alternative asset classes, which had recommended an overall allocation of 18 per cent to private equity, hedge fund and hybrid assets, he said that there was a need for regular coordination and consultation among all the relevant actors and that the four paramount investment guidelines of safety, liquidity, convertibility and profitability should be respected. In the current financial crisis, cautious analysis of all types of investment was more important than ever. The Group therefore endorsed the Advisory Committee's recommendation that every effort should be made to ensure that future investments took into account potential risks and its observation that the Investments Committee played a key role in providing guidance to the Investment Management Service.

40. With regard to administrative matters, the Group was pleased to note the progress made in the recruitment of staff for the posts approved by the General Assembly for the biennium 2008-2009 but remained concerned about the need for more specialized personnel, as mentioned in the overall review of the Fund's staffing and organizational structure. As for the Board's plan to implement an integrated pension administration system, the Group concurred with the Advisory Committee that the Fund should consult with the Chief Information Technology Officer on the technical requirements of the system.

41. On governance matters, any amendment to the Regulations of the Fund should be fully consistent with the principle of income replacement. In addition, the Representative of the Secretary-General for the Investments of the Fund should cooperate closely with the Board and the Investments Committee, in accordance with the authority delegated to each, since their decisions affected the returns on billions of dollars in the Fund.

42. The Group welcomed the recommendation of the Board and the Advisory Committee that the Special Tribunal for Lebanon should be admitted as a member of the Fund and reiterated the need for equitable representation of the constituent organizations of the Fund at all its meetings.

43. Lastly, the Group was concerned by the lack of information regarding the adoption of the ad hoc measure that had been recommended by the Board and subsequently approved by the General Assembly in its resolution 62/241 to address the adverse consequences of dollarization on retirees and beneficiaries living in Ecuador.

44. **Mr. Kovalenko** (Russian Federation) said that, given the decline in the Fund's actuarial surplus from 1.29 per cent of pensionable remuneration in 2005 to 0.49 per cent as at 31 December 2007, his delegation supported the Board's decision at its fifty-fifth session to take a cautious approach and not to recommend that the General Assembly should take steps to liberalize the pension benefits system. The Board should continue to monitor closely the results of actuarial valuations; any recommendations on changing the parameters of the pension system or the rate of contribution to the Fund should deal with both elements together and should take account of future changes in the actuarial balance.

45. His delegation also supported the Board's cautious approach with regard to investment in alternative asset classes and plans to change the functional model of the Investment Management Service and redistribute the responsibilities of the internal investment managers and external advisers. He would welcome more detailed information from the Investment Management Service on the measures it was taking to protect the Fund's assets in the context of the collapse of securities markets and the global financial crisis.

46. With regard to the Board's recommendation that the Special Tribunal for Lebanon should be admitted as a member of the Fund from 1 January 2009, subject to confirmation that the Special Tribunal followed the United Nations common system of salaries and allowances and other conditions of service, as required under article 3 (b) of the Regulations of the Fund, he noted that it was for the General Assembly to take the final decision on that issue.

47. **Mr. Scanlon** (United States of America), noting that the market value of the Fund's assets had increased by 7.9 per cent to $40.6 billion as at 31 March 2008, welcomed the Board's decision to retain the resulting actuarial surplus. His delegation expected that that policy would remain in force and that the Board would not seriously consider certain benefit proposals, including a recent proposal to mitigate the impact of currency fluctuations. With regard to the Board's recommendation that the Regulations of the Fund

should be amended to allow for the purchase of additional years of contributory service by part-time staff, his delegation agreed with the view of the Advisory Committee on Administrative and Budgetary Questions that such an arrangement would be a violation of the principle of income replacement and endorsed the Advisory Committee's recommendation against approval of the change.

48. As with any governing body that dealt with large-scale, expensive and complex issues, it was important to focus on long-term possibilities as well as short-term operational issues. His delegation therefore commended the Board for establishing a working group to consider the future of the Fund and hoped that its efforts would include analysis of ways to modernize the pension benefit scheme, such as proposals to make it more attractive to staff members who did not wish to spend their entire careers with the United Nations.

49. His delegation commended the Fund's Audit Committee for assisting the Board with internal and external audit matters, the financial statements of the Fund and the risk management and internal control framework. With regard to external audit matters, he noted that the recommendation concerning monthly reconciliation of contributions had not been implemented and requested information on its current status.

50. In order to ensure effective oversight of the Fund, it was important for the internal audit function to have the independence necessary to conduct its work and certify compliance with generally accepted audit principles. He therefore commended the Board for approving a change in the Audit Committee's terms of reference in order to achieve that aim.

51. It was critical for the Fund's two components, dealing respectively with investments and the payment of benefits, to coordinate their operations as much as possible. His delegation appreciated the Board's continued insistence on improvements in that regard and endorsed the Advisory Committee's recommendation that a revised memorandum of understanding aimed at achieving such improvements should be presented to the Board at its next session. He also endorsed the Board's recommendation that the Special Tribunal for Lebanon should be admitted as a member of the Fund.

52. He welcomed the willingness of the Secretary-General and Member States to review existing structures, procedures and systems with a view to promoting accountability in the United Nations. A change in the Pension Fund could make a significant contribution to that cause. In cases where staff members had been convicted of stealing from the Organization, the United Nations should be able to attach their pension benefits in order to recover the amounts stolen. Currently, the Secretary-General had no such recourse; that situation should be remedied expeditiously, and he requested advice on ways to begin the process.

53. **Mr. Schuldt** (Ecuador) said that his delegation was pleased to note the increase in both the market value and the actuarial value of the Fund but nonetheless agreed that it was necessary to strengthen the Fund's staffing and organizational structure. All the necessary precautions should be taken with regard to changes in investment policy and the inclusion of new areas of investment, particularly in the light of the current financial crisis and market volatility. In addition, the criteria of safety, liquidity, convertibility and profitability should be fully respected.

54. With regard to the Board's commitment to increase investments in developing countries, he pointed out that the increase in the Latin American region was small, even though the region had experienced consistent economic growth in recent years and was a favourable environment for long-term investments. Such investments would also promote job creation and improve the situation of the population.

55. He reiterated his gratitude to all delegations that had supported the ad hoc measure approved by the General Assembly to address the adverse consequences of dollarization on retirees living in Ecuador, but expressed concern that no information on its implementation had been provided. Moreover, his delegation had learned that the retirees in question still had to overcome a number of bureaucratic obstacles in order to receive the exceptional payment approved by the Assembly. The payments should be made in full and, if difficulties arose in that regard, information should be provided as to when the payments would be made.

The meeting rose at 11.25 a.m.

United Nations A/C.5/63/SR.21

General Assembly
Sixty-third session

Official Records

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Fifth Committee

Summary record of the 21st meeting
Held at Headquarters, New York, on Wednesday, 26 November 2008, at 10 a.m.

Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

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08-62059 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

1. **The Chairman**, recalled that, at the Committee's 19th meeting, members had voiced a number of additional comments and questions regarding the improvement and modernization of the conference facilities and construction of additional office facilities at the United Nations Office at Nairobi, previously discussed on a number of occasions, including the informal consultations held on 18 November 2008. In response to those questions and comments, and subsequent follow-up questions, the Secretariat had provided the Committee with written supplementary information regarding the construction projects, dated 26 November 2008, updating that provided on 21 November 2008.

2. **Mr. Adlerstein** (Assistant Secretary-General for the Capital Master Plan), recalling the Secretary-General's report on improving and modernizing the conference facilities and construction of additional office facilities at the United Nations Office at Nairobi (A/62/794), and the related Advisory Committee report (A/63/465), introduced at the Committee's 3rd meeting, stressed the commitment of the Secretary-General to the construction projects and to ensuring their implementation. The updated supplementary information provided to the Committee sought to respond to the questions asked, reflecting the position of the Secretary-General on the matters concerned.

3. Turning first to the basis for the delegation of authority given to the Director of Administration at the United Nations Office at Nairobi, he said that, in 2003, the steering group on reform and management had reviewed the delegation of authority with a view to implementing paragraph 189 and Action 32 of the Secretary-General's report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387). An inter-office project steering committee and working groups had been established, with the Office of Internal Oversight Services and the Office of Legal Affairs participating in the working groups.

4. The current delegation of financial authority had been granted to the Director of Administration at the United Nations Office at Nairobi by the Controller on 27 July 2004; procurement authority had been issued by the Assistant Secretary-General for Central Support Services on 19 May 2005. Both delegations of authority had been issued as part of the implementation of the revised Financial Regulations and Rules approved by the General Assembly in its resolution 57/573.

5. With regard to whether and how the Director-General of the Office had been briefed or consulted on the projects, a formal presentation on the project to construct new office facilities had been given to the Director-General and other senior officials on 10 October 2008.

6. With regard to whether the Director-General had authority and responsibility for the projects, Secretary-General's Bulletin ST/SGB/2008/7 stipulated that the Director-General was responsible for all activities of the United Nations Office at Nairobi and provided executive direction and management to the programmes of administration, conference services and other support and common services. The Director-General therefore had the full responsibility and authority necessary to manage the projects.

7. Details of the composition and competencies of the team, including the dedicated resources managing the projects, appeared in writing in the updated supplementary information, and specified each individual's grade, title, position in the reporting line, responsibilities, experience and track record, and the amount of time each individual would dedicate to each project until its completion.

8. The proactive steps taken to get the new office construction project back on schedule included terminating the services of the first architect, who had not performed properly, and engaging the services of a new architect, who had then produced the construction documents and tender package in just under one year, less time than usual for the industry.

9. With regard to the length of time needed to complete the construction project, the successful bidder would be expected to complete the construction of the new facility within 24 months of the award of the construction contract. That would be followed by several months of interior fitting-out, which would be handled under separate contracts.

10. With regard to the general policy of the Organization towards construction projects on the African continent, the Secretariat was fully committed to delivering all construction projects under its

management. The new office facility construction project at the United Nations Office at Nairobi had experienced significant delays since its inception but the Secretariat had taken the necessary remedial action. Once the tender process was complete, the Secretariat would proceed to the next stage, and would embark upon a construction contract on receiving the approval of the General Assembly of the revised total estimated cost.

11. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, thanked the Assistant Secretary-General for the Capital Master Plan for providing responses to the Group's questions. Speedy completion of the construction projects in Nairobi and Addis Ababa was crucial.

12. On 20 November 2008, the Group had taken the extraordinary step of requesting that a formal meeting of the Committee should be scheduled to discuss the construction project at the United Nations Office at Nairobi, as the Member States had received inadequate, contradictory and inconsistent answers to their questions and comments. That unacceptable situation clearly demonstrated a lack of accountability and commitment regarding the project.

13. The Group recalled the indication by the Director-General of the Office that she had not been consulted during the preparation of the Secretary-General's report, and that she had received no guidance or advice regarding the project. The Group was particularly concerned that the highest-ranking official in Nairobi appeared not to have the necessary delegation of authority for the project and had not been consulted or kept informed about it.

14. The Group also recalled her recommendations for the project to have a dedicated on-site unit within the Office to take charge of it and ensure adequate capacity and ability; that day-to-day supervision should be in the hands of managers in Nairobi, with Headquarters in New York providing guidance and support as required; that, in accordance with Secretary-General's Bulletin ST/SGB/2008/7 on the organization of the United Nations Office at Nairobi, delegation of authority should be granted to her and the Executive Services Management Board should be involved as appropriate; and that the project should have an independent oversight mechanism.

15. Accordingly, the Group believed that the delegation of authority must be aligned with the proposed new arrangements for the project, including full delegation of authority to the Director-General of the Office, enabling her to exercise authority as outlined in the Secretary-General's Bulletin. It was not an option to maintain the status quo in Nairobi. As a matter of urgency, the Director-General should assume full responsibility and accountability for the implementation of the project.

16. Regretting that the Member States had felt it necessary to produce their own summary of the remarks made by the Director-General in the informal consultations at the end of October 2008, and having consulted other regional groups and individual delegations regarding that summary, which it believed constituted useful background and context to the challenges on the ground in Nairobi, the Group of 77 and China was prepared to resume informal consultations on the matter at hand. It hoped and trusted that that suppression of a manager's frank views and insights would not occur again. The Committee's business should be conducted in an environment of trust, transparency and truthfulness, as the overriding practice in the Committee and the Secretariat. Lastly, the Group would like the text of the remarks of the Assistant Secretary-General for the Capital Master Plan and the views of the Office of Legal Affairs on the delegation of authority to be provided to the Committee.

17. **The Chairman** said that the request by the representative of Antigua and Barbuda, speaking on behalf of the Group of 77 and China, would be complied with.

The meeting rose at 10.30 a.m.

United Nations A/C.5/63/SR.22

General Assembly
Sixty-third session

Official Records

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4 February 2009

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Fifth Committee

Summary record of the 22nd meeting
Held at Headquarters, New York, on Thursday, 4 December 2008, at 10 a.m.

Chairman: Mr. Bródi ..... (Hungary)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

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Contingent liability reserve for the United Nations Postal Administration

Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2008

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08-63299 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 118: Programme budget for the biennium 2008-2009 (*continued*)

Conditions of service and compensation for officials other than Secretariat officials: members of the International Court of Justice and judges and ad litem judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/C.5/61/19; A/62/538/Add.2; A/63/570)

1. **Ms. Brzak-Metzler** (Office of Human Resources Management), introducing the report of the Secretary-General on conditions of service and compensation for members of the International Court of Justice and judges and ad litem judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda (A/62/538/Add.2), recalled that, in its resolution 61/262, the General Assembly had requested the Secretary-General to report to it on options for designing pension schemes for the Court and the Tribunals, including defined-benefit and defined-contribution schemes, taking into account the possibility of calculating pensions on the basis of the number of years served rather than the term of office of the individuals concerned.

2. Accordingly, the Secretary-General had commissioned a study from a consulting firm, Mercer Human Resource Consulting, which had concluded — as indicated in paragraph 14 of the report — that the current pension scheme provisions, including the basic target levels of benefits and the provision of death and disability benefits, were not unreasonable. However, some aspects of the pension schemes were inconsistent and in need of improvement. On the basis of the firm's findings and recommendations, analysed in paragraph 16 of the report, the Secretary-General had concluded that the study corroborated in technical terms most of the provisions of the current schemes approved by the General Assembly for the members of the Court and the judges of the Tribunals, and had made a number of recommendations, which were set out in paragraph 27 of the report.

3. The financial implications of the Secretary-General's recommendations, as set out in paragraph 29 of the report, dated from April 2008 and had since been revised. In the light of the re-election of members of the International Court of Justice whose current terms would expire on 5 February 2009, only three members would be retiring. Accordingly, the additional requirements for the biennium 2008-2009 in respect of the members of the International Court of Justice were $6,300 rather than $8,800. The biennial requirements subsequent to 2008-2009 were estimated at $82,000, assuming that all sitting members retired at the end of their current terms.

4. Recalling that the Security Council, in its resolutions 1824 (2008) and 1837 (2008), had extended the terms of the judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda to make trial proceedings more effective and help to implement the Tribunals' completion strategies, she said that the report of the Secretary-General had not foreseen those term extensions. The latest information indicated that the Secretary-General's recommendations regarding the Tribunals would have no financial implications for the biennium 2008-2009.

5. Finally, recalling that the General Assembly, in its resolutions 56/285 and 59/282, had decided to review the conditions of service of members of the Court and judges and ad litem judges of the Tribunals at its fifty-ninth and sixty-first sessions, she indicated that, should the General Assembly decide to revert to a three-year review cycle, the next such review would take place at the sixty-fifth session, in 2010.

6. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/63/570), recalled that, in April 2008, the General Assembly had approved the annual remuneration of members of the Court and judges of the Tribunals at a base salary of $158,000 plus post adjustment. As a result of the change in the basis for the calculation of pensions from $170,080 to $158,000, the pension benefits would be decreased accordingly. In overall terms, the Advisory Committee supported the proposals made by the Secretary-General in that connection.

7. However, the Advisory Committee did not recommend approval of the Secretary-General's proposal to base the retirement benefit of members of the Court and judges of the Tribunals on 55 per cent of the annual net base salary, excluding post adjustment, assuming completion of a period of service of nine years. It recommended instead that the benefit in

question should continue to be based on salaries and should be 50 per cent of the annual net base salary, excluding post adjustment, or $85,040, whichever amount was higher, assuming completion of a period of service of nine years.

8. The Advisory Committee also did not support the recommendation to increase the maximum pension from two thirds to three fourths of annual net base salary, excluding post adjustment. It took the view that the current maximum level, at two thirds of annual net base salary, provided adequate recognition of service beyond nine years, particularly considering that the pension schemes for members of the Court and judges of the Tribunals were non-contributory.

9. As the representative of the Office of Human Resources Management had pointed out, the financial implications of the Secretary-General's proposals regarding members of the Court had been revised downward from $8,800 to $6,300, and the Secretary-General's proposals regarding judges of the Tribunals would have no financial implications for the biennium 2008-2009. Should the General Assembly approve the Advisory Committee's recommendations, there would be reductions in the financial implications for the biennium 2008-2009 resulting from changes in the pension scheme for the members of the Court. Revised estimates of programme budget implications would need to be provided to the General Assembly, and the related resource requirements should be reflected in the context of the relevant performance report for the biennium 2008- 2009.

10. **The Chairman** drew the Committee's attention to a letter dated 6 March 2007 from the Secretary-General addressed to the President of the General Assembly, transmitting a request from the Registrar of the International Criminal Court (A/C.5/61/19).

11. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that, as the members of the International Court of Justice and the judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda fulfilled extremely important functions, they should receive a compensation package commensurate with their status and responsibilities. The Group supported the key principles, enshrined in the statutes of the Court and the Tribunals, that the General Assembly should determine the salaries and allowances of the members of the Court and the judges of the Tribunals, and that those salaries and allowances should not be decreased during the term of office of the individuals concerned. There should be equity in benefits between the members of the Court and the judges of the Tribunals, and the General Assembly should provide the Tribunals with the support necessary for completion of their mandates.

12. The Group regretted that the Secretary-General's recommendations were based on an analysis by a consulting firm, as it believed that in-house expertise would have been sufficient. With regard to pension arrangements, it agreed with the Secretary-General that members of the Court and judges of the Tribunals who fulfilled the eligibility criteria relating to retirement age and length of service should receive adequate after-service benefits, based on the premise that pension benefits, as replacement income, maintained a standard of living.

13. The Group would work to find a solution that respected the statutes of the Court and the Tribunals, remained non-contributory, was determined by years of service and ensured that current pension levels for serving members of the Court and judges of the Tribunals, and for current pension recipients, were not reduced. Any decisions regarding pension arrangements for members of the Court and judges of the Tribunals should not constitute a precedent for any other category of judges in the United Nations system.

14. **Mr. Repasch** (United States of America) said that, while the Secretary-General's report was comprehensive and informative, due note should be taken of the observations made by the Advisory Committee in paragraph 3 of its related report (A/63/570) regarding the proposal of only one option and reliance on an outside consultant. He would like to know why the Secretariat had not sought the views of bodies such as the International Civil Service Commission or the United Nations Joint Staff Pension Fund, why it believed that no relevant internal expertise was available and how much the consulting firm involved had been paid.

15. He also wondered by what standards the consulting firm had judged the current defined-benefit pension arrangements to be not unreasonable, as indicated in paragraph 14 (e) of the Secretary-General's report, and whether the firm had had access to data with which to make a comparison, bearing in mind the unique nature of the Tribunals. As his

delegation had observed during the Committee's discussion of the United Nations Joint Staff Pension Fund earlier in the sixty-third session, there was a global trend away from defined-benefit pension schemes towards defined-contribution schemes, which were portable and reduced employing organizations' liabilities. He therefore wondered why the Organization was going against the trend and advocating an old approach.

16. **Mr. Kovalenko** (Russian Federation) requested that the report of the consulting firm should be circulated. He also asked the Secretariat to explain the basis for recommending the retention of a non-contributory pension scheme for the Court and the Tribunals.

17. **Ms. Brzak-Metzler** (Office of Human Resources Management) said that the General Assembly's request for an examination of a variety of pension schemes had led the Secretary-General to seek out varied sources of advice, including individuals and consultancies; eventually, he had opted for the consulting firm in question. In addition, a wide range of information had been required because the members of the Court and the judges of the Tribunals were not United Nations staff members. The study conducted in the mid-1990s had also been commissioned from an outside source. The consulting firm had charged $40,000 for the study.

18. The information obtained by the consulting firm from national judiciaries and courts such as the supreme courts of Canada, Japan, the United Kingdom and the United States of America had confirmed that most had pension schemes that were non-contributory, were based on years of service, and paid pensions at a level of between 50 per cent and 100 per cent of salary. The consulting firm's study contained views similar to those expressed in the study commissioned in the mid-1990s and took account of a number of factors, including the generally older age of the members of the Court and the judges of the Tribunals. That information could be made available to the Committee. The recommendation that the pension arrangements should remain non-contributory was based on the finding that such arrangements were typical in national courts. Consequently, the type of scheme approved by the General Assembly and renewed periodically since the late 1940s had been found to be still current. She would return to the Committee on the matter of providing the consultants' report.

19. **Mr. Kovalenko** (Russian Federation) said that he wished to reiterate the importance of making the consultants' report available to the Committee, which would otherwise have difficulty in considering the issue properly.

20. **The Chairman** said that the Secretariat had taken note of the request of the representative of the Russian Federation.

Contingent liability reserve for the United Nations Postal Administration (A/63/320 and A/63/568)

Revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2008 (A/63/371 and A/63/567)

21. **Ms. Wong** (Programme Planning and Budget Division), introducing the report of the Secretary-General on a contingent liability reserve for the United Nations Postal Administration (A/63/320), recalled that, in section XIV of its resolution 62/238, the General Assembly had decided to consider the establishment of a reserve to eliminate the risk posed to the United Nations Postal Administration by the use of its services for commercial and bulk mail, based, inter alia, on updated information to be provided by the Secretary-General at its sixty-third session.

22. The report indicated that the Organization had made no provision for the contingent liability represented by postage stamps that had been sold out but not presented for mailing. An estimated 87 per cent of the Postal Administration's income derived from stamps issued over the previous 20 years constituted such a liability, as it was theoretically possible for such stamps to be presented for mailing at any time. The likelihood that collectors would use previously issued stamps was very low. The only risk identified was the use of stamps issued by the Postal Administration by commercial bulk mailers. While the Postal Administration had honoured stamps so used in the past, the Secretary-General had succeeded in eliminating all bulk mail consignments at United Nations Headquarters with effect from 1 September 2007. Since then, no bulk mail had been presented to, or accepted by, the Postal Administration.

23. The problem did not arise at the other issuing duty stations, Geneva and Vienna, because of measures previously established, as well as the change from Austrian schilling-denominated stamps to euro-

denominated stamps. As a result of those successful measures, the Secretary-General did not currently recommend the establishment of a contingent liability reserve, and advocated continuing the existing practice of meeting from current income any additional expenditure incurred for postage from sales recorded in prior periods.

24. Introducing the report of the Secretary-General on revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2008 (A/63/371), she indicated estimated regular budget expenditure requirements of $425,500, all of which could be absorbed within the resources for the biennium. The expenditure requirements resulting from the adoption of Council decision 2008/247 related to the preparation of the high-level segment of the fifty-second session of the Commission on Narcotic Drugs and the follow-up to the twentieth special session of the General Assembly, and fell under section 2, General Assembly and Economic and Social Council affairs and conference management. The requirements for 2010-2011 would be considered in the context of the proposed programme budget for that biennium. Additional requirements resulting from Council decisions 2008/234, 2008/245, 2008/247, 2008/249 and 2008/250 would be met from extrabudgetary resources. The adoption of Council decisions 2008/247 and 2008/234 required modification of the approved programme of work at the level of planned outputs under section 16, International drug control, crime and terrorism prevention and criminal justice, and section 18, Economic and social development in Asia and the Pacific, of the programme budget for the biennium 2008-2009. The recommendations of the Secretary-General were detailed in paragraphs 32 and 33 of the report.

25. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on a contingent liability reserve for the United Nations Postal Administration (A/63/568), said that the Advisory Committee recommended that the General Assembly should take note of the Secretary-General's report. It had noted the positive effect of the measures to eliminate bulk mail on the profitability of the Postal Administration and was pleased at the proactive measures the latter had taken to lessen the immediate need to establish a contingent liability reserve.

26. Introducing the report of the Advisory Committee on revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2008 (A/63/567), she said that the Advisory Committee had noted the additional expenditure requirements arising from the resolutions and decisions in question, and the fact that the Secretary-General expected that the amount concerned could be absorbed within the level of funding already approved for 2008-2009. The Advisory Committee had no objection to the recommendations made in paragraphs 32 and 33 of the report of the Secretary-General (A/63/371).

27. **Mr. Hunte** (Antigua and Barbuda), speaking on behalf of the Group of 77 and China, said that the Group had noted that the Postal Administration policy restricting large consignments of mail, combined with a streamlining of operations and restructuring of staff resources, had further reduced the estimated contingent liability for stamps sold in prior periods, and had improved profits in the biennium 2006-2007.

28. While the Secretary-General had indicated in his report that all possible alternatives to establishing a contingent liability reserve had already been implemented, the Group noted that, until a trend emerged from the operation of the new policy, it would be difficult to estimate the level of contingent liability and to determine whether new measures should be adopted.

29. The Group reiterated its belief in the merits of establishing a contingent liability reserve. Once the appropriate level had been determined, it would request the Secretary-General to explore the feasibility of any initiative to establish such a fund gradually and in full compliance with the relevant accounting standards. In addition, it felt that the sale of stamps should continue at another location in New York while the Headquarters complex was affected by the construction phase of the capital master plan.

30. With regard to the revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its substantive session of 2008, the Group shared the Advisory Committee's view that the recommendations in paragraphs 32 and 33 of the report of the Secretary-General were appropriate.

31. **Mr. Repasch** (United States of America) expressed appreciation for the measures undertaken by

the Secretariat to reduce the contingent liability for sold but as yet unused United Nations stamps.

32. According to paragraph 4 of the Advisory Committee's report (A/63/568), the Postal Administration had reported a net profit of $1.5 million for the biennium 2006-2007. He wondered whether that figure included any expenses for contingent liability and requested an update on the Postal Administration's net income picture for 2008.

33. In paragraph 6 of its report, the Advisory Committee requested the Secretary-General to ensure that United Nations stamps could continue to be sold in New York during the construction phase of the capital master plan. He wondered whether measures to that effect were really necessary, since stamps could always be bought on the Internet. He asked whether the Postal Administration had considered other ways of selling stamps, such as from a stamp vending machine. The installation of such a machine would reduce staffing costs and ensure that stamps were available 24 hours a day.

34. He asked the Secretariat to explain what was meant by "value-added" stamps (paragraph 8 of the Advisory Committee's report). Lastly, he asked the Secretariat to give its candid view of the Postal Administration's future prospects.

35. **Mr. Bronner** (Chief, Commercial Activities Service, Office of Central Support Services) said that the Postal Administration's reported net profit for the biennium 2006-2007 did not include provisions for contingent liability, since no such provisions had been made. The Postal Administration had made a profit of approximately $800,000 between 1 January and 31 August 2008 and was expected to make a profit of at least $1 million for the biennium 2008-2009.

36. With regard to the possibility of installing stamp vending machines, he said that the bulk of the Postal Administration's sales were of philatelic products, i.e. mint stamps suitable for collection. Such products were not generally intended for mailing and could not really be sold in vending machines. Stamps for mailing were provided by the United Nations Post Office, which was operated by the United States Postal Service. The General Assembly Building, the current location of the Postal Administration's sales counter, was expected to be affected most by the capital master plan from 2011 to 2013; discussions were under way with a view to establishing a temporary Postal Administration/Department of Public Information sales counter during that time, possibly in the North Lawn building. The visitors' area in the General Assembly Building was expected to remain open, and the current postal desk to operate normally, until mid-2011.

37. "Value-added" stamps carried two values: the mailing value plus an additional amount that was collected for a special purpose. One such stamp had been issued to date, in support of the Joint United Nations Programme on HIV/AIDS (UNAIDS). While the Secretariat would consider the idea of issuing a value-added stamp in order to address the issue of contingent liability, it made more sense to set aside a specific amount for that purpose. Value-added stamps were difficult to administer and were not well regarded by stamp collectors, who were, after all, the Postal Administration's main customers.

38. Lastly, with regard to the Postal Administration's future prospects, he said that sales had been strong until the 1970s, but had declined in the 1980s and 1990s. As a result of various initiatives by the Postal Administration, however, the current outlook was good. A reduced programme of issuances had increased the desirability of United Nations stamps among collectors; most issuances sold out soon after they were published. Stamps had been issued on such popular themes as sport for peace, climate change and endangered species, as well as the flag and coin series. Future issuances would include the extremely popular United Nations Educational, Scientific and Cultural Organization (UNESCO) world heritage series. Personalized stamp sheets were also very popular; the product was expected to be expanded in the future. The Postal Administration's e-commerce website had been established and was performing well. Moreover, the philatelic market, though reduced, had stabilized and the expansion of promotional activities was proving very successful. He had no doubt, therefore, that the Postal Administration would continue to operate sustainably in the future.

The meeting rose at 11 a.m.